



## 95TH GENERAL ASSEMBLY

### State of Illinois

### 2007 and 2008

### SB1591

Introduced 2/9/2007, by Sen. Rickey R. Hendon

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that the tax exemptions for certain registered horses, or interests in horses, that are used for purposes of breeding or racing are exempt from the Acts' sunset provisions and the exemptions apply for all periods beginning May 30, 1995, but no claim for credit or refund is allowed for such taxes paid during the period beginning May 30, 2000 and ending on the effective date of this amendatory Act. Amends the Illinois Horse Racing Act of 1975 and the Riverboat Gambling Act to authorize electronic gaming at race tracks. Further amends the Illinois Horse Racing Act of 1975. Repeals provisions concerning the Horse Racing Equity Fund and certain surcharges. Imposes a tax on admissions to electronic gaming facilities. Provides for the distribution of the admission tax revenues. Makes changes concerning the collection and payment of certain purse moneys. Creates the Backstretch Programs Advisory Board. Amends the Riverboat Gambling Act. Authorizes 2 additional riverboat licenses. In the definitions Section, changes the term "gross receipts" to "whole gaming receipts" and changes the term "adjusted gross receipts" to "gross gaming receipts". Amends the Liquor Control Act of 1934 to include a reference to land-based facilities in provisions concerning the authority of the Illinois Gaming Board. Amends the Criminal Code of 1961 to provide that certain provisions that apply to riverboat gambling also apply to electronic gaming. Amends the State Finance Act to create the Racing Industry Workers' Fund and the Depressed Communities Economic Development Fund as special funds in the State treasury. Contains a severability clause. Makes other changes. Preempts home rule. Effective immediately.

LRB095 11101 AMC 31430 b

FISCAL NOTE ACT  
MAY APPLY

HOME RULE NOTE  
ACT MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Use Tax Act is amended by changing Section  
5 3-5 as follows:

6 (35 ILCS 105/3-5) (from Ch. 120, par. 439.3-5)

7 Sec. 3-5. Exemptions. Use of the following tangible  
8 personal property is exempt from the tax imposed by this Act:

9 (1) Personal property purchased from a corporation,  
10 society, association, foundation, institution, or  
11 organization, other than a limited liability company, that is  
12 organized and operated as a not-for-profit service enterprise  
13 for the benefit of persons 65 years of age or older if the  
14 personal property was not purchased by the enterprise for the  
15 purpose of resale by the enterprise.

16 (2) Personal property purchased by a not-for-profit  
17 Illinois county fair association for use in conducting,  
18 operating, or promoting the county fair.

19 (3) Personal property purchased by a not-for-profit arts or  
20 cultural organization that establishes, by proof required by  
21 the Department by rule, that it has received an exemption under  
22 Section 501(c)(3) of the Internal Revenue Code and that is  
23 organized and operated primarily for the presentation or

1 support of arts or cultural programming, activities, or  
2 services. These organizations include, but are not limited to,  
3 music and dramatic arts organizations such as symphony  
4 orchestras and theatrical groups, arts and cultural service  
5 organizations, local arts councils, visual arts organizations,  
6 and media arts organizations. On and after the effective date  
7 of this amendatory Act of the 92nd General Assembly, however,  
8 an entity otherwise eligible for this exemption shall not make  
9 tax-free purchases unless it has an active identification  
10 number issued by the Department.

11 (4) Personal property purchased by a governmental body, by  
12 a corporation, society, association, foundation, or  
13 institution organized and operated exclusively for charitable,  
14 religious, or educational purposes, or by a not-for-profit  
15 corporation, society, association, foundation, institution, or  
16 organization that has no compensated officers or employees and  
17 that is organized and operated primarily for the recreation of  
18 persons 55 years of age or older. A limited liability company  
19 may qualify for the exemption under this paragraph only if the  
20 limited liability company is organized and operated  
21 exclusively for educational purposes. On and after July 1,  
22 1987, however, no entity otherwise eligible for this exemption  
23 shall make tax-free purchases unless it has an active exemption  
24 identification number issued by the Department.

25 (5) Until July 1, 2003, a passenger car that is a  
26 replacement vehicle to the extent that the purchase price of

1 the car is subject to the Replacement Vehicle Tax.

2 (6) Until July 1, 2003 and beginning again on September 1,  
3 2004, graphic arts machinery and equipment, including repair  
4 and replacement parts, both new and used, and including that  
5 manufactured on special order, certified by the purchaser to be  
6 used primarily for graphic arts production, and including  
7 machinery and equipment purchased for lease. Equipment  
8 includes chemicals or chemicals acting as catalysts but only if  
9 the chemicals or chemicals acting as catalysts effect a direct  
10 and immediate change upon a graphic arts product.

11 (7) Farm chemicals.

12 (8) Legal tender, currency, medallions, or gold or silver  
13 coinage issued by the State of Illinois, the government of the  
14 United States of America, or the government of any foreign  
15 country, and bullion.

16 (9) Personal property purchased from a teacher-sponsored  
17 student organization affiliated with an elementary or  
18 secondary school located in Illinois.

19 (10) A motor vehicle of the first division, a motor vehicle  
20 of the second division that is a self-contained motor vehicle  
21 designed or permanently converted to provide living quarters  
22 for recreational, camping, or travel use, with direct walk  
23 through to the living quarters from the driver's seat, or a  
24 motor vehicle of the second division that is of the van  
25 configuration designed for the transportation of not less than  
26 7 nor more than 16 passengers, as defined in Section 1-146 of

1 the Illinois Vehicle Code, that is used for automobile renting,  
2 as defined in the Automobile Renting Occupation and Use Tax  
3 Act.

4 (11) Farm machinery and equipment, both new and used,  
5 including that manufactured on special order, certified by the  
6 purchaser to be used primarily for production agriculture or  
7 State or federal agricultural programs, including individual  
8 replacement parts for the machinery and equipment, including  
9 machinery and equipment purchased for lease, and including  
10 implements of husbandry defined in Section 1-130 of the  
11 Illinois Vehicle Code, farm machinery and agricultural  
12 chemical and fertilizer spreaders, and nurse wagons required to  
13 be registered under Section 3-809 of the Illinois Vehicle Code,  
14 but excluding other motor vehicles required to be registered  
15 under the Illinois Vehicle Code. Horticultural polyhouses or  
16 hoop houses used for propagating, growing, or overwintering  
17 plants shall be considered farm machinery and equipment under  
18 this item (11). Agricultural chemical tender tanks and dry  
19 boxes shall include units sold separately from a motor vehicle  
20 required to be licensed and units sold mounted on a motor  
21 vehicle required to be licensed if the selling price of the  
22 tender is separately stated.

23 Farm machinery and equipment shall include precision  
24 farming equipment that is installed or purchased to be  
25 installed on farm machinery and equipment including, but not  
26 limited to, tractors, harvesters, sprayers, planters, seeders,

1 or spreaders. Precision farming equipment includes, but is not  
2 limited to, soil testing sensors, computers, monitors,  
3 software, global positioning and mapping systems, and other  
4 such equipment.

5 Farm machinery and equipment also includes computers,  
6 sensors, software, and related equipment used primarily in the  
7 computer-assisted operation of production agriculture  
8 facilities, equipment, and activities such as, but not limited  
9 to, the collection, monitoring, and correlation of animal and  
10 crop data for the purpose of formulating animal diets and  
11 agricultural chemicals. This item (11) is exempt from the  
12 provisions of Section 3-90.

13 (12) Fuel and petroleum products sold to or used by an air  
14 common carrier, certified by the carrier to be used for  
15 consumption, shipment, or storage in the conduct of its  
16 business as an air common carrier, for a flight destined for or  
17 returning from a location or locations outside the United  
18 States without regard to previous or subsequent domestic  
19 stopovers.

20 (13) Proceeds of mandatory service charges separately  
21 stated on customers' bills for the purchase and consumption of  
22 food and beverages purchased at retail from a retailer, to the  
23 extent that the proceeds of the service charge are in fact  
24 turned over as tips or as a substitute for tips to the  
25 employees who participate directly in preparing, serving,  
26 hosting or cleaning up the food or beverage function with

1 respect to which the service charge is imposed.

2 (14) Until July 1, 2003, oil field exploration, drilling,  
3 and production equipment, including (i) rigs and parts of rigs,  
4 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
5 tubular goods, including casing and drill strings, (iii) pumps  
6 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
7 individual replacement part for oil field exploration,  
8 drilling, and production equipment, and (vi) machinery and  
9 equipment purchased for lease; but excluding motor vehicles  
10 required to be registered under the Illinois Vehicle Code.

11 (15) Photoprocessing machinery and equipment, including  
12 repair and replacement parts, both new and used, including that  
13 manufactured on special order, certified by the purchaser to be  
14 used primarily for photoprocessing, and including  
15 photoprocessing machinery and equipment purchased for lease.

16 (16) Until July 1, 2003, coal exploration, mining,  
17 offhighway hauling, processing, maintenance, and reclamation  
18 equipment, including replacement parts and equipment, and  
19 including equipment purchased for lease, but excluding motor  
20 vehicles required to be registered under the Illinois Vehicle  
21 Code.

22 (17) Until July 1, 2003, distillation machinery and  
23 equipment, sold as a unit or kit, assembled or installed by the  
24 retailer, certified by the user to be used only for the  
25 production of ethyl alcohol that will be used for consumption  
26 as motor fuel or as a component of motor fuel for the personal

1 use of the user, and not subject to sale or resale.

2 (18) Manufacturing and assembling machinery and equipment  
3 used primarily in the process of manufacturing or assembling  
4 tangible personal property for wholesale or retail sale or  
5 lease, whether that sale or lease is made directly by the  
6 manufacturer or by some other person, whether the materials  
7 used in the process are owned by the manufacturer or some other  
8 person, or whether that sale or lease is made apart from or as  
9 an incident to the seller's engaging in the service occupation  
10 of producing machines, tools, dies, jigs, patterns, gauges, or  
11 other similar items of no commercial value on special order for  
12 a particular purchaser.

13 (19) Personal property delivered to a purchaser or  
14 purchaser's donee inside Illinois when the purchase order for  
15 that personal property was received by a florist located  
16 outside Illinois who has a florist located inside Illinois  
17 deliver the personal property.

18 (20) Semen used for artificial insemination of livestock  
19 for direct agricultural production.

20 (21) Horses, or interests in horses, registered with and  
21 meeting the requirements of any of the Arabian Horse Club  
22 Registry of America, Appaloosa Horse Club, American Quarter  
23 Horse Association, United States Trotting Association, or  
24 Jockey Club, as appropriate, used for purposes of breeding or  
25 racing for prizes. This item (21) is exempt from the provisions  
26 of Section 3-90, and the exemption provided for under this item

1 (21) applies for all periods beginning May 30, 1995, but no  
2 claim for credit or refund is allowed on or after the effective  
3 date of this amendatory Act of the 95th General Assembly for  
4 such taxes paid during the period beginning May 30, 2000 and  
5 ending on the effective date of this amendatory Act of the 95th  
6 General Assembly.

7 (22) Computers and communications equipment utilized for  
8 any hospital purpose and equipment used in the diagnosis,  
9 analysis, or treatment of hospital patients purchased by a  
10 lessor who leases the equipment, under a lease of one year or  
11 longer executed or in effect at the time the lessor would  
12 otherwise be subject to the tax imposed by this Act, to a  
13 hospital that has been issued an active tax exemption  
14 identification number by the Department under Section 1g of the  
15 Retailers' Occupation Tax Act. If the equipment is leased in a  
16 manner that does not qualify for this exemption or is used in  
17 any other non-exempt manner, the lessor shall be liable for the  
18 tax imposed under this Act or the Service Use Tax Act, as the  
19 case may be, based on the fair market value of the property at  
20 the time the non-qualifying use occurs. No lessor shall collect  
21 or attempt to collect an amount (however designated) that  
22 purports to reimburse that lessor for the tax imposed by this  
23 Act or the Service Use Tax Act, as the case may be, if the tax  
24 has not been paid by the lessor. If a lessor improperly  
25 collects any such amount from the lessee, the lessee shall have  
26 a legal right to claim a refund of that amount from the lessor.

1 If, however, that amount is not refunded to the lessee for any  
2 reason, the lessor is liable to pay that amount to the  
3 Department.

4 (23) Personal property purchased by a lessor who leases the  
5 property, under a lease of one year or longer executed or in  
6 effect at the time the lessor would otherwise be subject to the  
7 tax imposed by this Act, to a governmental body that has been  
8 issued an active sales tax exemption identification number by  
9 the Department under Section 1g of the Retailers' Occupation  
10 Tax Act. If the property is leased in a manner that does not  
11 qualify for this exemption or used in any other non-exempt  
12 manner, the lessor shall be liable for the tax imposed under  
13 this Act or the Service Use Tax Act, as the case may be, based  
14 on the fair market value of the property at the time the  
15 non-qualifying use occurs. No lessor shall collect or attempt  
16 to collect an amount (however designated) that purports to  
17 reimburse that lessor for the tax imposed by this Act or the  
18 Service Use Tax Act, as the case may be, if the tax has not been  
19 paid by the lessor. If a lessor improperly collects any such  
20 amount from the lessee, the lessee shall have a legal right to  
21 claim a refund of that amount from the lessor. If, however,  
22 that amount is not refunded to the lessee for any reason, the  
23 lessor is liable to pay that amount to the Department.

24 (24) Beginning with taxable years ending on or after  
25 December 31, 1995 and ending with taxable years ending on or  
26 before December 31, 2004, personal property that is donated for

1 disaster relief to be used in a State or federally declared  
2 disaster area in Illinois or bordering Illinois by a  
3 manufacturer or retailer that is registered in this State to a  
4 corporation, society, association, foundation, or institution  
5 that has been issued a sales tax exemption identification  
6 number by the Department that assists victims of the disaster  
7 who reside within the declared disaster area.

8 (25) Beginning with taxable years ending on or after  
9 December 31, 1995 and ending with taxable years ending on or  
10 before December 31, 2004, personal property that is used in the  
11 performance of infrastructure repairs in this State, including  
12 but not limited to municipal roads and streets, access roads,  
13 bridges, sidewalks, waste disposal systems, water and sewer  
14 line extensions, water distribution and purification  
15 facilities, storm water drainage and retention facilities, and  
16 sewage treatment facilities, resulting from a State or  
17 federally declared disaster in Illinois or bordering Illinois  
18 when such repairs are initiated on facilities located in the  
19 declared disaster area within 6 months after the disaster.

20 (26) Beginning July 1, 1999, game or game birds purchased  
21 at a "game breeding and hunting preserve area" or an "exotic  
22 game hunting area" as those terms are used in the Wildlife Code  
23 or at a hunting enclosure approved through rules adopted by the  
24 Department of Natural Resources. This paragraph is exempt from  
25 the provisions of Section 3-90.

26 (27) A motor vehicle, as that term is defined in Section

1 1-146 of the Illinois Vehicle Code, that is donated to a  
2 corporation, limited liability company, society, association,  
3 foundation, or institution that is determined by the Department  
4 to be organized and operated exclusively for educational  
5 purposes. For purposes of this exemption, "a corporation,  
6 limited liability company, society, association, foundation,  
7 or institution organized and operated exclusively for  
8 educational purposes" means all tax-supported public schools,  
9 private schools that offer systematic instruction in useful  
10 branches of learning by methods common to public schools and  
11 that compare favorably in their scope and intensity with the  
12 course of study presented in tax-supported schools, and  
13 vocational or technical schools or institutes organized and  
14 operated exclusively to provide a course of study of not less  
15 than 6 weeks duration and designed to prepare individuals to  
16 follow a trade or to pursue a manual, technical, mechanical,  
17 industrial, business, or commercial occupation.

18 (28) Beginning January 1, 2000, personal property,  
19 including food, purchased through fundraising events for the  
20 benefit of a public or private elementary or secondary school,  
21 a group of those schools, or one or more school districts if  
22 the events are sponsored by an entity recognized by the school  
23 district that consists primarily of volunteers and includes  
24 parents and teachers of the school children. This paragraph  
25 does not apply to fundraising events (i) for the benefit of  
26 private home instruction or (ii) for which the fundraising

1 entity purchases the personal property sold at the events from  
2 another individual or entity that sold the property for the  
3 purpose of resale by the fundraising entity and that profits  
4 from the sale to the fundraising entity. This paragraph is  
5 exempt from the provisions of Section 3-90.

6 (29) Beginning January 1, 2000 and through December 31,  
7 2001, new or used automatic vending machines that prepare and  
8 serve hot food and beverages, including coffee, soup, and other  
9 items, and replacement parts for these machines. Beginning  
10 January 1, 2002 and through June 30, 2003, machines and parts  
11 for machines used in commercial, coin-operated amusement and  
12 vending business if a use or occupation tax is paid on the  
13 gross receipts derived from the use of the commercial,  
14 coin-operated amusement and vending machines. This paragraph  
15 is exempt from the provisions of Section 3-90.

16 (30) Beginning January 1, 2001 and through June 30, 2011,  
17 food for human consumption that is to be consumed off the  
18 premises where it is sold (other than alcoholic beverages, soft  
19 drinks, and food that has been prepared for immediate  
20 consumption) and prescription and nonprescription medicines,  
21 drugs, medical appliances, and insulin, urine testing  
22 materials, syringes, and needles used by diabetics, for human  
23 use, when purchased for use by a person receiving medical  
24 assistance under Article 5 of the Illinois Public Aid Code who  
25 resides in a licensed long-term care facility, as defined in  
26 the Nursing Home Care Act.

1           (31) Beginning on the effective date of this amendatory Act  
2 of the 92nd General Assembly, computers and communications  
3 equipment utilized for any hospital purpose and equipment used  
4 in the diagnosis, analysis, or treatment of hospital patients  
5 purchased by a lessor who leases the equipment, under a lease  
6 of one year or longer executed or in effect at the time the  
7 lessor would otherwise be subject to the tax imposed by this  
8 Act, to a hospital that has been issued an active tax exemption  
9 identification number by the Department under Section 1g of the  
10 Retailers' Occupation Tax Act. If the equipment is leased in a  
11 manner that does not qualify for this exemption or is used in  
12 any other nonexempt manner, the lessor shall be liable for the  
13 tax imposed under this Act or the Service Use Tax Act, as the  
14 case may be, based on the fair market value of the property at  
15 the time the nonqualifying use occurs. No lessor shall collect  
16 or attempt to collect an amount (however designated) that  
17 purports to reimburse that lessor for the tax imposed by this  
18 Act or the Service Use Tax Act, as the case may be, if the tax  
19 has not been paid by the lessor. If a lessor improperly  
20 collects any such amount from the lessee, the lessee shall have  
21 a legal right to claim a refund of that amount from the lessor.  
22 If, however, that amount is not refunded to the lessee for any  
23 reason, the lessor is liable to pay that amount to the  
24 Department. This paragraph is exempt from the provisions of  
25 Section 3-90.

26           (32) Beginning on the effective date of this amendatory Act

1 of the 92nd General Assembly, personal property purchased by a  
2 lessor who leases the property, under a lease of one year or  
3 longer executed or in effect at the time the lessor would  
4 otherwise be subject to the tax imposed by this Act, to a  
5 governmental body that has been issued an active sales tax  
6 exemption identification number by the Department under  
7 Section 1g of the Retailers' Occupation Tax Act. If the  
8 property is leased in a manner that does not qualify for this  
9 exemption or used in any other nonexempt manner, the lessor  
10 shall be liable for the tax imposed under this Act or the  
11 Service Use Tax Act, as the case may be, based on the fair  
12 market value of the property at the time the nonqualifying use  
13 occurs. No lessor shall collect or attempt to collect an amount  
14 (however designated) that purports to reimburse that lessor for  
15 the tax imposed by this Act or the Service Use Tax Act, as the  
16 case may be, if the tax has not been paid by the lessor. If a  
17 lessor improperly collects any such amount from the lessee, the  
18 lessee shall have a legal right to claim a refund of that  
19 amount from the lessor. If, however, that amount is not  
20 refunded to the lessee for any reason, the lessor is liable to  
21 pay that amount to the Department. This paragraph is exempt  
22 from the provisions of Section 3-90.

23 (33) On and after July 1, 2003 and through June 30, 2004,  
24 the use in this State of motor vehicles of the second division  
25 with a gross vehicle weight in excess of 8,000 pounds and that  
26 are subject to the commercial distribution fee imposed under

1 Section 3-815.1 of the Illinois Vehicle Code. Beginning on July  
2 1, 2004 and through June 30, 2005, the use in this State of  
3 motor vehicles of the second division: (i) with a gross vehicle  
4 weight rating in excess of 8,000 pounds; (ii) that are subject  
5 to the commercial distribution fee imposed under Section  
6 3-815.1 of the Illinois Vehicle Code; and (iii) that are  
7 primarily used for commercial purposes. Through June 30, 2005,  
8 this exemption applies to repair and replacement parts added  
9 after the initial purchase of such a motor vehicle if that  
10 motor vehicle is used in a manner that would qualify for the  
11 rolling stock exemption otherwise provided for in this Act. For  
12 purposes of this paragraph, the term "used for commercial  
13 purposes" means the transportation of persons or property in  
14 furtherance of any commercial or industrial enterprise,  
15 whether for-hire or not.

16 (Source: P.A. 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; 93-840,  
17 eff. 7-30-04; 93-1033, eff. 9-3-04; 94-1002, eff. 7-3-06.)

18 Section 10. The Service Use Tax Act is amended by changing  
19 Section 3-5 as follows:

20 (35 ILCS 110/3-5) (from Ch. 120, par. 439.33-5)

21 Sec. 3-5. Exemptions. Use of the following tangible  
22 personal property is exempt from the tax imposed by this Act:

23 (1) Personal property purchased from a corporation,  
24 society, association, foundation, institution, or

1 organization, other than a limited liability company, that is  
2 organized and operated as a not-for-profit service enterprise  
3 for the benefit of persons 65 years of age or older if the  
4 personal property was not purchased by the enterprise for the  
5 purpose of resale by the enterprise.

6 (2) Personal property purchased by a non-profit Illinois  
7 county fair association for use in conducting, operating, or  
8 promoting the county fair.

9 (3) Personal property purchased by a not-for-profit arts or  
10 cultural organization that establishes, by proof required by  
11 the Department by rule, that it has received an exemption under  
12 Section 501(c)(3) of the Internal Revenue Code and that is  
13 organized and operated primarily for the presentation or  
14 support of arts or cultural programming, activities, or  
15 services. These organizations include, but are not limited to,  
16 music and dramatic arts organizations such as symphony  
17 orchestras and theatrical groups, arts and cultural service  
18 organizations, local arts councils, visual arts organizations,  
19 and media arts organizations. On and after the effective date  
20 of this amendatory Act of the 92nd General Assembly, however,  
21 an entity otherwise eligible for this exemption shall not make  
22 tax-free purchases unless it has an active identification  
23 number issued by the Department.

24 (4) Legal tender, currency, medallions, or gold or silver  
25 coinage issued by the State of Illinois, the government of the  
26 United States of America, or the government of any foreign

1 country, and bullion.

2 (5) Until July 1, 2003 and beginning again on September 1,  
3 2004, graphic arts machinery and equipment, including repair  
4 and replacement parts, both new and used, and including that  
5 manufactured on special order or purchased for lease, certified  
6 by the purchaser to be used primarily for graphic arts  
7 production. Equipment includes chemicals or chemicals acting  
8 as catalysts but only if the chemicals or chemicals acting as  
9 catalysts effect a direct and immediate change upon a graphic  
10 arts product.

11 (6) Personal property purchased from a teacher-sponsored  
12 student organization affiliated with an elementary or  
13 secondary school located in Illinois.

14 (7) Farm machinery and equipment, both new and used,  
15 including that manufactured on special order, certified by the  
16 purchaser to be used primarily for production agriculture or  
17 State or federal agricultural programs, including individual  
18 replacement parts for the machinery and equipment, including  
19 machinery and equipment purchased for lease, and including  
20 implements of husbandry defined in Section 1-130 of the  
21 Illinois Vehicle Code, farm machinery and agricultural  
22 chemical and fertilizer spreaders, and nurse wagons required to  
23 be registered under Section 3-809 of the Illinois Vehicle Code,  
24 but excluding other motor vehicles required to be registered  
25 under the Illinois Vehicle Code. Horticultural polyhouses or  
26 hoop houses used for propagating, growing, or overwintering

1 plants shall be considered farm machinery and equipment under  
2 this item (7). Agricultural chemical tender tanks and dry boxes  
3 shall include units sold separately from a motor vehicle  
4 required to be licensed and units sold mounted on a motor  
5 vehicle required to be licensed if the selling price of the  
6 tender is separately stated.

7 Farm machinery and equipment shall include precision  
8 farming equipment that is installed or purchased to be  
9 installed on farm machinery and equipment including, but not  
10 limited to, tractors, harvesters, sprayers, planters, seeders,  
11 or spreaders. Precision farming equipment includes, but is not  
12 limited to, soil testing sensors, computers, monitors,  
13 software, global positioning and mapping systems, and other  
14 such equipment.

15 Farm machinery and equipment also includes computers,  
16 sensors, software, and related equipment used primarily in the  
17 computer-assisted operation of production agriculture  
18 facilities, equipment, and activities such as, but not limited  
19 to, the collection, monitoring, and correlation of animal and  
20 crop data for the purpose of formulating animal diets and  
21 agricultural chemicals. This item (7) is exempt from the  
22 provisions of Section 3-75.

23 (8) Fuel and petroleum products sold to or used by an air  
24 common carrier, certified by the carrier to be used for  
25 consumption, shipment, or storage in the conduct of its  
26 business as an air common carrier, for a flight destined for or

1 returning from a location or locations outside the United  
2 States without regard to previous or subsequent domestic  
3 stopovers.

4 (9) Proceeds of mandatory service charges separately  
5 stated on customers' bills for the purchase and consumption of  
6 food and beverages acquired as an incident to the purchase of a  
7 service from a serviceman, to the extent that the proceeds of  
8 the service charge are in fact turned over as tips or as a  
9 substitute for tips to the employees who participate directly  
10 in preparing, serving, hosting or cleaning up the food or  
11 beverage function with respect to which the service charge is  
12 imposed.

13 (10) Until July 1, 2003, oil field exploration, drilling,  
14 and production equipment, including (i) rigs and parts of rigs,  
15 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
16 tubular goods, including casing and drill strings, (iii) pumps  
17 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
18 individual replacement part for oil field exploration,  
19 drilling, and production equipment, and (vi) machinery and  
20 equipment purchased for lease; but excluding motor vehicles  
21 required to be registered under the Illinois Vehicle Code.

22 (11) Proceeds from the sale of photoprocessing machinery  
23 and equipment, including repair and replacement parts, both new  
24 and used, including that manufactured on special order,  
25 certified by the purchaser to be used primarily for  
26 photoprocessing, and including photoprocessing machinery and

1 equipment purchased for lease.

2 (12) Until July 1, 2003, coal exploration, mining,  
3 offhighway hauling, processing, maintenance, and reclamation  
4 equipment, including replacement parts and equipment, and  
5 including equipment purchased for lease, but excluding motor  
6 vehicles required to be registered under the Illinois Vehicle  
7 Code.

8 (13) Semen used for artificial insemination of livestock  
9 for direct agricultural production.

10 (14) Horses, or interests in horses, registered with and  
11 meeting the requirements of any of the Arabian Horse Club  
12 Registry of America, Appaloosa Horse Club, American Quarter  
13 Horse Association, United States Trotting Association, or  
14 Jockey Club, as appropriate, used for purposes of breeding or  
15 racing for prizes. This item (14) is exempt from the provisions  
16 of Section 3-75, and the exemption provided for under this item  
17 (14) applies for all periods beginning May 30, 1995, but no  
18 claim for credit or refund is allowed on or after the effective  
19 date of this amendatory Act of the 95th General Assembly for  
20 such taxes paid during the period beginning May 30, 2000 and  
21 ending on the effective date of this amendatory Act of the 95th  
22 General Assembly.

23 (15) Computers and communications equipment utilized for  
24 any hospital purpose and equipment used in the diagnosis,  
25 analysis, or treatment of hospital patients purchased by a  
26 lessor who leases the equipment, under a lease of one year or

1 longer executed or in effect at the time the lessor would  
2 otherwise be subject to the tax imposed by this Act, to a  
3 hospital that has been issued an active tax exemption  
4 identification number by the Department under Section 1g of the  
5 Retailers' Occupation Tax Act. If the equipment is leased in a  
6 manner that does not qualify for this exemption or is used in  
7 any other non-exempt manner, the lessor shall be liable for the  
8 tax imposed under this Act or the Use Tax Act, as the case may  
9 be, based on the fair market value of the property at the time  
10 the non-qualifying use occurs. No lessor shall collect or  
11 attempt to collect an amount (however designated) that purports  
12 to reimburse that lessor for the tax imposed by this Act or the  
13 Use Tax Act, as the case may be, if the tax has not been paid by  
14 the lessor. If a lessor improperly collects any such amount  
15 from the lessee, the lessee shall have a legal right to claim a  
16 refund of that amount from the lessor. If, however, that amount  
17 is not refunded to the lessee for any reason, the lessor is  
18 liable to pay that amount to the Department.

19 (16) Personal property purchased by a lessor who leases the  
20 property, under a lease of one year or longer executed or in  
21 effect at the time the lessor would otherwise be subject to the  
22 tax imposed by this Act, to a governmental body that has been  
23 issued an active tax exemption identification number by the  
24 Department under Section 1g of the Retailers' Occupation Tax  
25 Act. If the property is leased in a manner that does not  
26 qualify for this exemption or is used in any other non-exempt

1 manner, the lessor shall be liable for the tax imposed under  
2 this Act or the Use Tax Act, as the case may be, based on the  
3 fair market value of the property at the time the  
4 non-qualifying use occurs. No lessor shall collect or attempt  
5 to collect an amount (however designated) that purports to  
6 reimburse that lessor for the tax imposed by this Act or the  
7 Use Tax Act, as the case may be, if the tax has not been paid by  
8 the lessor. If a lessor improperly collects any such amount  
9 from the lessee, the lessee shall have a legal right to claim a  
10 refund of that amount from the lessor. If, however, that amount  
11 is not refunded to the lessee for any reason, the lessor is  
12 liable to pay that amount to the Department.

13 (17) Beginning with taxable years ending on or after  
14 December 31, 1995 and ending with taxable years ending on or  
15 before December 31, 2004, personal property that is donated for  
16 disaster relief to be used in a State or federally declared  
17 disaster area in Illinois or bordering Illinois by a  
18 manufacturer or retailer that is registered in this State to a  
19 corporation, society, association, foundation, or institution  
20 that has been issued a sales tax exemption identification  
21 number by the Department that assists victims of the disaster  
22 who reside within the declared disaster area.

23 (18) Beginning with taxable years ending on or after  
24 December 31, 1995 and ending with taxable years ending on or  
25 before December 31, 2004, personal property that is used in the  
26 performance of infrastructure repairs in this State, including

1 but not limited to municipal roads and streets, access roads,  
2 bridges, sidewalks, waste disposal systems, water and sewer  
3 line extensions, water distribution and purification  
4 facilities, storm water drainage and retention facilities, and  
5 sewage treatment facilities, resulting from a State or  
6 federally declared disaster in Illinois or bordering Illinois  
7 when such repairs are initiated on facilities located in the  
8 declared disaster area within 6 months after the disaster.

9 (19) Beginning July 1, 1999, game or game birds purchased  
10 at a "game breeding and hunting preserve area" or an "exotic  
11 game hunting area" as those terms are used in the Wildlife Code  
12 or at a hunting enclosure approved through rules adopted by the  
13 Department of Natural Resources. This paragraph is exempt from  
14 the provisions of Section 3-75.

15 (20) A motor vehicle, as that term is defined in Section  
16 1-146 of the Illinois Vehicle Code, that is donated to a  
17 corporation, limited liability company, society, association,  
18 foundation, or institution that is determined by the Department  
19 to be organized and operated exclusively for educational  
20 purposes. For purposes of this exemption, "a corporation,  
21 limited liability company, society, association, foundation,  
22 or institution organized and operated exclusively for  
23 educational purposes" means all tax-supported public schools,  
24 private schools that offer systematic instruction in useful  
25 branches of learning by methods common to public schools and  
26 that compare favorably in their scope and intensity with the

1 course of study presented in tax-supported schools, and  
2 vocational or technical schools or institutes organized and  
3 operated exclusively to provide a course of study of not less  
4 than 6 weeks duration and designed to prepare individuals to  
5 follow a trade or to pursue a manual, technical, mechanical,  
6 industrial, business, or commercial occupation.

7 (21) Beginning January 1, 2000, personal property,  
8 including food, purchased through fundraising events for the  
9 benefit of a public or private elementary or secondary school,  
10 a group of those schools, or one or more school districts if  
11 the events are sponsored by an entity recognized by the school  
12 district that consists primarily of volunteers and includes  
13 parents and teachers of the school children. This paragraph  
14 does not apply to fundraising events (i) for the benefit of  
15 private home instruction or (ii) for which the fundraising  
16 entity purchases the personal property sold at the events from  
17 another individual or entity that sold the property for the  
18 purpose of resale by the fundraising entity and that profits  
19 from the sale to the fundraising entity. This paragraph is  
20 exempt from the provisions of Section 3-75.

21 (22) Beginning January 1, 2000 and through December 31,  
22 2001, new or used automatic vending machines that prepare and  
23 serve hot food and beverages, including coffee, soup, and other  
24 items, and replacement parts for these machines. Beginning  
25 January 1, 2002 and through June 30, 2003, machines and parts  
26 for machines used in commercial, coin-operated amusement and

1 vending business if a use or occupation tax is paid on the  
2 gross receipts derived from the use of the commercial,  
3 coin-operated amusement and vending machines. This paragraph  
4 is exempt from the provisions of Section 3-75.

5 (23) Beginning August 23, 2001 and through June 30, 2011,  
6 food for human consumption that is to be consumed off the  
7 premises where it is sold (other than alcoholic beverages, soft  
8 drinks, and food that has been prepared for immediate  
9 consumption) and prescription and nonprescription medicines,  
10 drugs, medical appliances, and insulin, urine testing  
11 materials, syringes, and needles used by diabetics, for human  
12 use, when purchased for use by a person receiving medical  
13 assistance under Article 5 of the Illinois Public Aid Code who  
14 resides in a licensed long-term care facility, as defined in  
15 the Nursing Home Care Act.

16 (24) Beginning on the effective date of this amendatory Act  
17 of the 92nd General Assembly, computers and communications  
18 equipment utilized for any hospital purpose and equipment used  
19 in the diagnosis, analysis, or treatment of hospital patients  
20 purchased by a lessor who leases the equipment, under a lease  
21 of one year or longer executed or in effect at the time the  
22 lessor would otherwise be subject to the tax imposed by this  
23 Act, to a hospital that has been issued an active tax exemption  
24 identification number by the Department under Section 1g of the  
25 Retailers' Occupation Tax Act. If the equipment is leased in a  
26 manner that does not qualify for this exemption or is used in

1 any other nonexempt manner, the lessor shall be liable for the  
2 tax imposed under this Act or the Use Tax Act, as the case may  
3 be, based on the fair market value of the property at the time  
4 the nonqualifying use occurs. No lessor shall collect or  
5 attempt to collect an amount (however designated) that purports  
6 to reimburse that lessor for the tax imposed by this Act or the  
7 Use Tax Act, as the case may be, if the tax has not been paid by  
8 the lessor. If a lessor improperly collects any such amount  
9 from the lessee, the lessee shall have a legal right to claim a  
10 refund of that amount from the lessor. If, however, that amount  
11 is not refunded to the lessee for any reason, the lessor is  
12 liable to pay that amount to the Department. This paragraph is  
13 exempt from the provisions of Section 3-75.

14 (25) Beginning on the effective date of this amendatory Act  
15 of the 92nd General Assembly, personal property purchased by a  
16 lessor who leases the property, under a lease of one year or  
17 longer executed or in effect at the time the lessor would  
18 otherwise be subject to the tax imposed by this Act, to a  
19 governmental body that has been issued an active tax exemption  
20 identification number by the Department under Section 1g of the  
21 Retailers' Occupation Tax Act. If the property is leased in a  
22 manner that does not qualify for this exemption or is used in  
23 any other nonexempt manner, the lessor shall be liable for the  
24 tax imposed under this Act or the Use Tax Act, as the case may  
25 be, based on the fair market value of the property at the time  
26 the nonqualifying use occurs. No lessor shall collect or

1 attempt to collect an amount (however designated) that purports  
2 to reimburse that lessor for the tax imposed by this Act or the  
3 Use Tax Act, as the case may be, if the tax has not been paid by  
4 the lessor. If a lessor improperly collects any such amount  
5 from the lessee, the lessee shall have a legal right to claim a  
6 refund of that amount from the lessor. If, however, that amount  
7 is not refunded to the lessee for any reason, the lessor is  
8 liable to pay that amount to the Department. This paragraph is  
9 exempt from the provisions of Section 3-75.

10 (Source: P.A. 93-24, eff. 6-20-03; 93-840, eff. 7-30-04;  
11 94-1002, eff. 7-3-06.)

12 Section 15. The Service Occupation Tax Act is amended by  
13 changing Section 3-5 as follows:

14 (35 ILCS 115/3-5) (from Ch. 120, par. 439.103-5)

15 Sec. 3-5. Exemptions. The following tangible personal  
16 property is exempt from the tax imposed by this Act:

17 (1) Personal property sold by a corporation, society,  
18 association, foundation, institution, or organization, other  
19 than a limited liability company, that is organized and  
20 operated as a not-for-profit service enterprise for the benefit  
21 of persons 65 years of age or older if the personal property  
22 was not purchased by the enterprise for the purpose of resale  
23 by the enterprise.

24 (2) Personal property purchased by a not-for-profit

1 Illinois county fair association for use in conducting,  
2 operating, or promoting the county fair.

3 (3) Personal property purchased by any not-for-profit arts  
4 or cultural organization that establishes, by proof required by  
5 the Department by rule, that it has received an exemption under  
6 Section 501(c)(3) of the Internal Revenue Code and that is  
7 organized and operated primarily for the presentation or  
8 support of arts or cultural programming, activities, or  
9 services. These organizations include, but are not limited to,  
10 music and dramatic arts organizations such as symphony  
11 orchestras and theatrical groups, arts and cultural service  
12 organizations, local arts councils, visual arts organizations,  
13 and media arts organizations. On and after the effective date  
14 of this amendatory Act of the 92nd General Assembly, however,  
15 an entity otherwise eligible for this exemption shall not make  
16 tax-free purchases unless it has an active identification  
17 number issued by the Department.

18 (4) Legal tender, currency, medallions, or gold or silver  
19 coinage issued by the State of Illinois, the government of the  
20 United States of America, or the government of any foreign  
21 country, and bullion.

22 (5) Until July 1, 2003 and beginning again on September 1,  
23 2004, graphic arts machinery and equipment, including repair  
24 and replacement parts, both new and used, and including that  
25 manufactured on special order or purchased for lease, certified  
26 by the purchaser to be used primarily for graphic arts

1 production. Equipment includes chemicals or chemicals acting  
2 as catalysts but only if the chemicals or chemicals acting as  
3 catalysts effect a direct and immediate change upon a graphic  
4 arts product.

5 (6) Personal property sold by a teacher-sponsored student  
6 organization affiliated with an elementary or secondary school  
7 located in Illinois.

8 (7) Farm machinery and equipment, both new and used,  
9 including that manufactured on special order, certified by the  
10 purchaser to be used primarily for production agriculture or  
11 State or federal agricultural programs, including individual  
12 replacement parts for the machinery and equipment, including  
13 machinery and equipment purchased for lease, and including  
14 implements of husbandry defined in Section 1-130 of the  
15 Illinois Vehicle Code, farm machinery and agricultural  
16 chemical and fertilizer spreaders, and nurse wagons required to  
17 be registered under Section 3-809 of the Illinois Vehicle Code,  
18 but excluding other motor vehicles required to be registered  
19 under the Illinois Vehicle Code. Horticultural polyhouses or  
20 hoop houses used for propagating, growing, or overwintering  
21 plants shall be considered farm machinery and equipment under  
22 this item (7). Agricultural chemical tender tanks and dry boxes  
23 shall include units sold separately from a motor vehicle  
24 required to be licensed and units sold mounted on a motor  
25 vehicle required to be licensed if the selling price of the  
26 tender is separately stated.

1 Farm machinery and equipment shall include precision  
2 farming equipment that is installed or purchased to be  
3 installed on farm machinery and equipment including, but not  
4 limited to, tractors, harvesters, sprayers, planters, seeders,  
5 or spreaders. Precision farming equipment includes, but is not  
6 limited to, soil testing sensors, computers, monitors,  
7 software, global positioning and mapping systems, and other  
8 such equipment.

9 Farm machinery and equipment also includes computers,  
10 sensors, software, and related equipment used primarily in the  
11 computer-assisted operation of production agriculture  
12 facilities, equipment, and activities such as, but not limited  
13 to, the collection, monitoring, and correlation of animal and  
14 crop data for the purpose of formulating animal diets and  
15 agricultural chemicals. This item (7) is exempt from the  
16 provisions of Section 3-55.

17 (8) Fuel and petroleum products sold to or used by an air  
18 common carrier, certified by the carrier to be used for  
19 consumption, shipment, or storage in the conduct of its  
20 business as an air common carrier, for a flight destined for or  
21 returning from a location or locations outside the United  
22 States without regard to previous or subsequent domestic  
23 stopovers.

24 (9) Proceeds of mandatory service charges separately  
25 stated on customers' bills for the purchase and consumption of  
26 food and beverages, to the extent that the proceeds of the

1 service charge are in fact turned over as tips or as a  
2 substitute for tips to the employees who participate directly  
3 in preparing, serving, hosting or cleaning up the food or  
4 beverage function with respect to which the service charge is  
5 imposed.

6 (10) Until July 1, 2003, oil field exploration, drilling,  
7 and production equipment, including (i) rigs and parts of rigs,  
8 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
9 tubular goods, including casing and drill strings, (iii) pumps  
10 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
11 individual replacement part for oil field exploration,  
12 drilling, and production equipment, and (vi) machinery and  
13 equipment purchased for lease; but excluding motor vehicles  
14 required to be registered under the Illinois Vehicle Code.

15 (11) Photoprocessing machinery and equipment, including  
16 repair and replacement parts, both new and used, including that  
17 manufactured on special order, certified by the purchaser to be  
18 used primarily for photoprocessing, and including  
19 photoprocessing machinery and equipment purchased for lease.

20 (12) Until July 1, 2003, coal exploration, mining,  
21 offhighway hauling, processing, maintenance, and reclamation  
22 equipment, including replacement parts and equipment, and  
23 including equipment purchased for lease, but excluding motor  
24 vehicles required to be registered under the Illinois Vehicle  
25 Code.

26 (13) Beginning January 1, 1992 and through June 30, 2011,

1 food for human consumption that is to be consumed off the  
2 premises where it is sold (other than alcoholic beverages, soft  
3 drinks and food that has been prepared for immediate  
4 consumption) and prescription and non-prescription medicines,  
5 drugs, medical appliances, and insulin, urine testing  
6 materials, syringes, and needles used by diabetics, for human  
7 use, when purchased for use by a person receiving medical  
8 assistance under Article 5 of the Illinois Public Aid Code who  
9 resides in a licensed long-term care facility, as defined in  
10 the Nursing Home Care Act.

11 (14) Semen used for artificial insemination of livestock  
12 for direct agricultural production.

13 (15) Horses, or interests in horses, registered with and  
14 meeting the requirements of any of the Arabian Horse Club  
15 Registry of America, Appaloosa Horse Club, American Quarter  
16 Horse Association, United States Trotting Association, or  
17 Jockey Club, as appropriate, used for purposes of breeding or  
18 racing for prizes. This item (15) is exempt from the provisions  
19 of Section 3-55, and the exemption provided for under this item  
20 (15) applies for all periods beginning May 30, 1995, but no  
21 claim for credit or refund is allowed on or after the effective  
22 date of this amendatory Act of the 95th General Assembly for  
23 such taxes paid during the period beginning May 30, 2000 and  
24 ending on the effective date of this amendatory Act of the 95th  
25 General Assembly.

26 (16) Computers and communications equipment utilized for

1 any hospital purpose and equipment used in the diagnosis,  
2 analysis, or treatment of hospital patients sold to a lessor  
3 who leases the equipment, under a lease of one year or longer  
4 executed or in effect at the time of the purchase, to a  
5 hospital that has been issued an active tax exemption  
6 identification number by the Department under Section 1g of the  
7 Retailers' Occupation Tax Act.

8 (17) Personal property sold to a lessor who leases the  
9 property, under a lease of one year or longer executed or in  
10 effect at the time of the purchase, to a governmental body that  
11 has been issued an active tax exemption identification number  
12 by the Department under Section 1g of the Retailers' Occupation  
13 Tax Act.

14 (18) Beginning with taxable years ending on or after  
15 December 31, 1995 and ending with taxable years ending on or  
16 before December 31, 2004, personal property that is donated for  
17 disaster relief to be used in a State or federally declared  
18 disaster area in Illinois or bordering Illinois by a  
19 manufacturer or retailer that is registered in this State to a  
20 corporation, society, association, foundation, or institution  
21 that has been issued a sales tax exemption identification  
22 number by the Department that assists victims of the disaster  
23 who reside within the declared disaster area.

24 (19) Beginning with taxable years ending on or after  
25 December 31, 1995 and ending with taxable years ending on or  
26 before December 31, 2004, personal property that is used in the

1 performance of infrastructure repairs in this State, including  
2 but not limited to municipal roads and streets, access roads,  
3 bridges, sidewalks, waste disposal systems, water and sewer  
4 line extensions, water distribution and purification  
5 facilities, storm water drainage and retention facilities, and  
6 sewage treatment facilities, resulting from a State or  
7 federally declared disaster in Illinois or bordering Illinois  
8 when such repairs are initiated on facilities located in the  
9 declared disaster area within 6 months after the disaster.

10 (20) Beginning July 1, 1999, game or game birds sold at a  
11 "game breeding and hunting preserve area" or an "exotic game  
12 hunting area" as those terms are used in the Wildlife Code or  
13 at a hunting enclosure approved through rules adopted by the  
14 Department of Natural Resources. This paragraph is exempt from  
15 the provisions of Section 3-55.

16 (21) A motor vehicle, as that term is defined in Section  
17 1-146 of the Illinois Vehicle Code, that is donated to a  
18 corporation, limited liability company, society, association,  
19 foundation, or institution that is determined by the Department  
20 to be organized and operated exclusively for educational  
21 purposes. For purposes of this exemption, "a corporation,  
22 limited liability company, society, association, foundation,  
23 or institution organized and operated exclusively for  
24 educational purposes" means all tax-supported public schools,  
25 private schools that offer systematic instruction in useful  
26 branches of learning by methods common to public schools and

1 that compare favorably in their scope and intensity with the  
2 course of study presented in tax-supported schools, and  
3 vocational or technical schools or institutes organized and  
4 operated exclusively to provide a course of study of not less  
5 than 6 weeks duration and designed to prepare individuals to  
6 follow a trade or to pursue a manual, technical, mechanical,  
7 industrial, business, or commercial occupation.

8 (22) Beginning January 1, 2000, personal property,  
9 including food, purchased through fundraising events for the  
10 benefit of a public or private elementary or secondary school,  
11 a group of those schools, or one or more school districts if  
12 the events are sponsored by an entity recognized by the school  
13 district that consists primarily of volunteers and includes  
14 parents and teachers of the school children. This paragraph  
15 does not apply to fundraising events (i) for the benefit of  
16 private home instruction or (ii) for which the fundraising  
17 entity purchases the personal property sold at the events from  
18 another individual or entity that sold the property for the  
19 purpose of resale by the fundraising entity and that profits  
20 from the sale to the fundraising entity. This paragraph is  
21 exempt from the provisions of Section 3-55.

22 (23) Beginning January 1, 2000 and through December 31,  
23 2001, new or used automatic vending machines that prepare and  
24 serve hot food and beverages, including coffee, soup, and other  
25 items, and replacement parts for these machines. Beginning  
26 January 1, 2002 and through June 30, 2003, machines and parts

1 for machines used in commercial, coin-operated amusement and  
2 vending business if a use or occupation tax is paid on the  
3 gross receipts derived from the use of the commercial,  
4 coin-operated amusement and vending machines. This paragraph  
5 is exempt from the provisions of Section 3-55.

6 (24) Beginning on the effective date of this amendatory Act  
7 of the 92nd General Assembly, computers and communications  
8 equipment utilized for any hospital purpose and equipment used  
9 in the diagnosis, analysis, or treatment of hospital patients  
10 sold to a lessor who leases the equipment, under a lease of one  
11 year or longer executed or in effect at the time of the  
12 purchase, to a hospital that has been issued an active tax  
13 exemption identification number by the Department under  
14 Section 1g of the Retailers' Occupation Tax Act. This paragraph  
15 is exempt from the provisions of Section 3-55.

16 (25) Beginning on the effective date of this amendatory Act  
17 of the 92nd General Assembly, personal property sold to a  
18 lessor who leases the property, under a lease of one year or  
19 longer executed or in effect at the time of the purchase, to a  
20 governmental body that has been issued an active tax exemption  
21 identification number by the Department under Section 1g of the  
22 Retailers' Occupation Tax Act. This paragraph is exempt from  
23 the provisions of Section 3-55.

24 (26) Beginning on January 1, 2002 and through June 30,  
25 2011, tangible personal property purchased from an Illinois  
26 retailer by a taxpayer engaged in centralized purchasing

1 activities in Illinois who will, upon receipt of the property  
2 in Illinois, temporarily store the property in Illinois (i) for  
3 the purpose of subsequently transporting it outside this State  
4 for use or consumption thereafter solely outside this State or  
5 (ii) for the purpose of being processed, fabricated, or  
6 manufactured into, attached to, or incorporated into other  
7 tangible personal property to be transported outside this State  
8 and thereafter used or consumed solely outside this State. The  
9 Director of Revenue shall, pursuant to rules adopted in  
10 accordance with the Illinois Administrative Procedure Act,  
11 issue a permit to any taxpayer in good standing with the  
12 Department who is eligible for the exemption under this  
13 paragraph (26). The permit issued under this paragraph (26)  
14 shall authorize the holder, to the extent and in the manner  
15 specified in the rules adopted under this Act, to purchase  
16 tangible personal property from a retailer exempt from the  
17 taxes imposed by this Act. Taxpayers shall maintain all  
18 necessary books and records to substantiate the use and  
19 consumption of all such tangible personal property outside of  
20 the State of Illinois.

21 (Source: P.A. 93-24, eff. 6-20-03; 93-840, eff. 7-30-04;  
22 94-1002, eff. 7-3-06.)

23 Section 20. The Retailers' Occupation Tax Act is amended by  
24 changing Section 2-5 as follows:

1 (35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

2 Sec. 2-5. Exemptions. Gross receipts from proceeds from the  
3 sale of the following tangible personal property are exempt  
4 from the tax imposed by this Act:

5 (1) Farm chemicals.

6 (2) Farm machinery and equipment, both new and used,  
7 including that manufactured on special order, certified by the  
8 purchaser to be used primarily for production agriculture or  
9 State or federal agricultural programs, including individual  
10 replacement parts for the machinery and equipment, including  
11 machinery and equipment purchased for lease, and including  
12 implements of husbandry defined in Section 1-130 of the  
13 Illinois Vehicle Code, farm machinery and agricultural  
14 chemical and fertilizer spreaders, and nurse wagons required to  
15 be registered under Section 3-809 of the Illinois Vehicle Code,  
16 but excluding other motor vehicles required to be registered  
17 under the Illinois Vehicle Code. Horticultural polyhouses or  
18 hoop houses used for propagating, growing, or overwintering  
19 plants shall be considered farm machinery and equipment under  
20 this item (2). Agricultural chemical tender tanks and dry boxes  
21 shall include units sold separately from a motor vehicle  
22 required to be licensed and units sold mounted on a motor  
23 vehicle required to be licensed, if the selling price of the  
24 tender is separately stated.

25 Farm machinery and equipment shall include precision  
26 farming equipment that is installed or purchased to be

1 installed on farm machinery and equipment including, but not  
2 limited to, tractors, harvesters, sprayers, planters, seeders,  
3 or spreaders. Precision farming equipment includes, but is not  
4 limited to, soil testing sensors, computers, monitors,  
5 software, global positioning and mapping systems, and other  
6 such equipment.

7 Farm machinery and equipment also includes computers,  
8 sensors, software, and related equipment used primarily in the  
9 computer-assisted operation of production agriculture  
10 facilities, equipment, and activities such as, but not limited  
11 to, the collection, monitoring, and correlation of animal and  
12 crop data for the purpose of formulating animal diets and  
13 agricultural chemicals. This item (7) is exempt from the  
14 provisions of Section 2-70.

15 (3) Until July 1, 2003, distillation machinery and  
16 equipment, sold as a unit or kit, assembled or installed by the  
17 retailer, certified by the user to be used only for the  
18 production of ethyl alcohol that will be used for consumption  
19 as motor fuel or as a component of motor fuel for the personal  
20 use of the user, and not subject to sale or resale.

21 (4) Until July 1, 2003 and beginning again September 1,  
22 2004, graphic arts machinery and equipment, including repair  
23 and replacement parts, both new and used, and including that  
24 manufactured on special order or purchased for lease, certified  
25 by the purchaser to be used primarily for graphic arts  
26 production. Equipment includes chemicals or chemicals acting

1 as catalysts but only if the chemicals or chemicals acting as  
2 catalysts effect a direct and immediate change upon a graphic  
3 arts product.

4 (5) A motor vehicle of the first division, a motor vehicle  
5 of the second division that is a self-contained motor vehicle  
6 designed or permanently converted to provide living quarters  
7 for recreational, camping, or travel use, with direct walk  
8 through access to the living quarters from the driver's seat,  
9 or a motor vehicle of the second division that is of the van  
10 configuration designed for the transportation of not less than  
11 7 nor more than 16 passengers, as defined in Section 1-146 of  
12 the Illinois Vehicle Code, that is used for automobile renting,  
13 as defined in the Automobile Renting Occupation and Use Tax  
14 Act.

15 (6) Personal property sold by a teacher-sponsored student  
16 organization affiliated with an elementary or secondary school  
17 located in Illinois.

18 (7) Until July 1, 2003, proceeds of that portion of the  
19 selling price of a passenger car the sale of which is subject  
20 to the Replacement Vehicle Tax.

21 (8) Personal property sold to an Illinois county fair  
22 association for use in conducting, operating, or promoting the  
23 county fair.

24 (9) Personal property sold to a not-for-profit arts or  
25 cultural organization that establishes, by proof required by  
26 the Department by rule, that it has received an exemption under

1 Section 501(c)(3) of the Internal Revenue Code and that is  
2 organized and operated primarily for the presentation or  
3 support of arts or cultural programming, activities, or  
4 services. These organizations include, but are not limited to,  
5 music and dramatic arts organizations such as symphony  
6 orchestras and theatrical groups, arts and cultural service  
7 organizations, local arts councils, visual arts organizations,  
8 and media arts organizations. On and after the effective date  
9 of this amendatory Act of the 92nd General Assembly, however,  
10 an entity otherwise eligible for this exemption shall not make  
11 tax-free purchases unless it has an active identification  
12 number issued by the Department.

13 (10) Personal property sold by a corporation, society,  
14 association, foundation, institution, or organization, other  
15 than a limited liability company, that is organized and  
16 operated as a not-for-profit service enterprise for the benefit  
17 of persons 65 years of age or older if the personal property  
18 was not purchased by the enterprise for the purpose of resale  
19 by the enterprise.

20 (11) Personal property sold to a governmental body, to a  
21 corporation, society, association, foundation, or institution  
22 organized and operated exclusively for charitable, religious,  
23 or educational purposes, or to a not-for-profit corporation,  
24 society, association, foundation, institution, or organization  
25 that has no compensated officers or employees and that is  
26 organized and operated primarily for the recreation of persons

1 55 years of age or older. A limited liability company may  
2 qualify for the exemption under this paragraph only if the  
3 limited liability company is organized and operated  
4 exclusively for educational purposes. On and after July 1,  
5 1987, however, no entity otherwise eligible for this exemption  
6 shall make tax-free purchases unless it has an active  
7 identification number issued by the Department.

8 (12) Tangible personal property sold to interstate  
9 carriers for hire for use as rolling stock moving in interstate  
10 commerce or to lessors under leases of one year or longer  
11 executed or in effect at the time of purchase by interstate  
12 carriers for hire for use as rolling stock moving in interstate  
13 commerce and equipment operated by a telecommunications  
14 provider, licensed as a common carrier by the Federal  
15 Communications Commission, which is permanently installed in  
16 or affixed to aircraft moving in interstate commerce.

17 (12-5) On and after July 1, 2003 and through June 30, 2004,  
18 motor vehicles of the second division with a gross vehicle  
19 weight in excess of 8,000 pounds that are subject to the  
20 commercial distribution fee imposed under Section 3-815.1 of  
21 the Illinois Vehicle Code. Beginning on July 1, 2004 and  
22 through June 30, 2005, the use in this State of motor vehicles  
23 of the second division: (i) with a gross vehicle weight rating  
24 in excess of 8,000 pounds; (ii) that are subject to the  
25 commercial distribution fee imposed under Section 3-815.1 of  
26 the Illinois Vehicle Code; and (iii) that are primarily used

1 for commercial purposes. Through June 30, 2005, this exemption  
2 applies to repair and replacement parts added after the initial  
3 purchase of such a motor vehicle if that motor vehicle is used  
4 in a manner that would qualify for the rolling stock exemption  
5 otherwise provided for in this Act. For purposes of this  
6 paragraph, "used for commercial purposes" means the  
7 transportation of persons or property in furtherance of any  
8 commercial or industrial enterprise whether for-hire or not.

9 (13) Proceeds from sales to owners, lessors, or shippers of  
10 tangible personal property that is utilized by interstate  
11 carriers for hire for use as rolling stock moving in interstate  
12 commerce and equipment operated by a telecommunications  
13 provider, licensed as a common carrier by the Federal  
14 Communications Commission, which is permanently installed in  
15 or affixed to aircraft moving in interstate commerce.

16 (14) Machinery and equipment that will be used by the  
17 purchaser, or a lessee of the purchaser, primarily in the  
18 process of manufacturing or assembling tangible personal  
19 property for wholesale or retail sale or lease, whether the  
20 sale or lease is made directly by the manufacturer or by some  
21 other person, whether the materials used in the process are  
22 owned by the manufacturer or some other person, or whether the  
23 sale or lease is made apart from or as an incident to the  
24 seller's engaging in the service occupation of producing  
25 machines, tools, dies, jigs, patterns, gauges, or other similar  
26 items of no commercial value on special order for a particular

1 purchaser.

2 (15) Proceeds of mandatory service charges separately  
3 stated on customers' bills for purchase and consumption of food  
4 and beverages, to the extent that the proceeds of the service  
5 charge are in fact turned over as tips or as a substitute for  
6 tips to the employees who participate directly in preparing,  
7 serving, hosting or cleaning up the food or beverage function  
8 with respect to which the service charge is imposed.

9 (16) Petroleum products sold to a purchaser if the seller  
10 is prohibited by federal law from charging tax to the  
11 purchaser.

12 (17) Tangible personal property sold to a common carrier by  
13 rail or motor that receives the physical possession of the  
14 property in Illinois and that transports the property, or  
15 shares with another common carrier in the transportation of the  
16 property, out of Illinois on a standard uniform bill of lading  
17 showing the seller of the property as the shipper or consignor  
18 of the property to a destination outside Illinois, for use  
19 outside Illinois.

20 (18) Legal tender, currency, medallions, or gold or silver  
21 coinage issued by the State of Illinois, the government of the  
22 United States of America, or the government of any foreign  
23 country, and bullion.

24 (19) Until July 1 2003, oil field exploration, drilling,  
25 and production equipment, including (i) rigs and parts of rigs,  
26 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and

1 tubular goods, including casing and drill strings, (iii) pumps  
2 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
3 individual replacement part for oil field exploration,  
4 drilling, and production equipment, and (vi) machinery and  
5 equipment purchased for lease; but excluding motor vehicles  
6 required to be registered under the Illinois Vehicle Code.

7 (20) Photoprocessing machinery and equipment, including  
8 repair and replacement parts, both new and used, including that  
9 manufactured on special order, certified by the purchaser to be  
10 used primarily for photoprocessing, and including  
11 photoprocessing machinery and equipment purchased for lease.

12 (21) Until July 1, 2003, coal exploration, mining,  
13 offhighway hauling, processing, maintenance, and reclamation  
14 equipment, including replacement parts and equipment, and  
15 including equipment purchased for lease, but excluding motor  
16 vehicles required to be registered under the Illinois Vehicle  
17 Code.

18 (22) Fuel and petroleum products sold to or used by an air  
19 carrier, certified by the carrier to be used for consumption,  
20 shipment, or storage in the conduct of its business as an air  
21 common carrier, for a flight destined for or returning from a  
22 location or locations outside the United States without regard  
23 to previous or subsequent domestic stopovers.

24 (23) A transaction in which the purchase order is received  
25 by a florist who is located outside Illinois, but who has a  
26 florist located in Illinois deliver the property to the

1 purchaser or the purchaser's donee in Illinois.

2 (24) Fuel consumed or used in the operation of ships,  
3 barges, or vessels that are used primarily in or for the  
4 transportation of property or the conveyance of persons for  
5 hire on rivers bordering on this State if the fuel is delivered  
6 by the seller to the purchaser's barge, ship, or vessel while  
7 it is afloat upon that bordering river.

8 (25) Except as provided in item (25-5) of this Section, a  
9 motor vehicle sold in this State to a nonresident even though  
10 the motor vehicle is delivered to the nonresident in this  
11 State, if the motor vehicle is not to be titled in this State,  
12 and if a drive-away permit is issued to the motor vehicle as  
13 provided in Section 3-603 of the Illinois Vehicle Code or if  
14 the nonresident purchaser has vehicle registration plates to  
15 transfer to the motor vehicle upon returning to his or her home  
16 state. The issuance of the drive-away permit or having the  
17 out-of-state registration plates to be transferred is prima  
18 facie evidence that the motor vehicle will not be titled in  
19 this State.

20 (25-5) The exemption under item (25) does not apply if the  
21 state in which the motor vehicle will be titled does not allow  
22 a reciprocal exemption for a motor vehicle sold and delivered  
23 in that state to an Illinois resident but titled in Illinois.  
24 The tax collected under this Act on the sale of a motor vehicle  
25 in this State to a resident of another state that does not  
26 allow a reciprocal exemption shall be imposed at a rate equal

1 to the state's rate of tax on taxable property in the state in  
2 which the purchaser is a resident, except that the tax shall  
3 not exceed the tax that would otherwise be imposed under this  
4 Act. At the time of the sale, the purchaser shall execute a  
5 statement, signed under penalty of perjury, of his or her  
6 intent to title the vehicle in the state in which the purchaser  
7 is a resident within 30 days after the sale and of the fact of  
8 the payment to the State of Illinois of tax in an amount  
9 equivalent to the state's rate of tax on taxable property in  
10 his or her state of residence and shall submit the statement to  
11 the appropriate tax collection agency in his or her state of  
12 residence. In addition, the retailer must retain a signed copy  
13 of the statement in his or her records. Nothing in this item  
14 shall be construed to require the removal of the vehicle from  
15 this state following the filing of an intent to title the  
16 vehicle in the purchaser's state of residence if the purchaser  
17 titles the vehicle in his or her state of residence within 30  
18 days after the date of sale. The tax collected under this Act  
19 in accordance with this item (25-5) shall be proportionately  
20 distributed as if the tax were collected at the 6.25% general  
21 rate imposed under this Act.

22 (26) Semen used for artificial insemination of livestock  
23 for direct agricultural production.

24 (27) Horses, or interests in horses, registered with and  
25 meeting the requirements of any of the Arabian Horse Club  
26 Registry of America, Appaloosa Horse Club, American Quarter

1 Horse Association, United States Trotting Association, or  
2 Jockey Club, as appropriate, used for purposes of breeding or  
3 racing for prizes. This item (27) is exempt from the provisions  
4 of Section 2-70, and the exemption provided for under this item  
5 (27) applies for all periods beginning May 30, 1995, but no  
6 claim for credit or refund is allowed on or after the effective  
7 date of this amendatory Act of the 95th General Assembly for  
8 such taxes paid during the period beginning May 30, 2000 and  
9 ending on the effective date of this amendatory Act of the 95th  
10 General Assembly.

11 (28) Computers and communications equipment utilized for  
12 any hospital purpose and equipment used in the diagnosis,  
13 analysis, or treatment of hospital patients sold to a lessor  
14 who leases the equipment, under a lease of one year or longer  
15 executed or in effect at the time of the purchase, to a  
16 hospital that has been issued an active tax exemption  
17 identification number by the Department under Section 1g of  
18 this Act.

19 (29) Personal property sold to a lessor who leases the  
20 property, under a lease of one year or longer executed or in  
21 effect at the time of the purchase, to a governmental body that  
22 has been issued an active tax exemption identification number  
23 by the Department under Section 1g of this Act.

24 (30) Beginning with taxable years ending on or after  
25 December 31, 1995 and ending with taxable years ending on or  
26 before December 31, 2004, personal property that is donated for

1 disaster relief to be used in a State or federally declared  
2 disaster area in Illinois or bordering Illinois by a  
3 manufacturer or retailer that is registered in this State to a  
4 corporation, society, association, foundation, or institution  
5 that has been issued a sales tax exemption identification  
6 number by the Department that assists victims of the disaster  
7 who reside within the declared disaster area.

8 (31) Beginning with taxable years ending on or after  
9 December 31, 1995 and ending with taxable years ending on or  
10 before December 31, 2004, personal property that is used in the  
11 performance of infrastructure repairs in this State, including  
12 but not limited to municipal roads and streets, access roads,  
13 bridges, sidewalks, waste disposal systems, water and sewer  
14 line extensions, water distribution and purification  
15 facilities, storm water drainage and retention facilities, and  
16 sewage treatment facilities, resulting from a State or  
17 federally declared disaster in Illinois or bordering Illinois  
18 when such repairs are initiated on facilities located in the  
19 declared disaster area within 6 months after the disaster.

20 (32) Beginning July 1, 1999, game or game birds sold at a  
21 "game breeding and hunting preserve area" or an "exotic game  
22 hunting area" as those terms are used in the Wildlife Code or  
23 at a hunting enclosure approved through rules adopted by the  
24 Department of Natural Resources. This paragraph is exempt from  
25 the provisions of Section 2-70.

26 (33) A motor vehicle, as that term is defined in Section

1 1-146 of the Illinois Vehicle Code, that is donated to a  
2 corporation, limited liability company, society, association,  
3 foundation, or institution that is determined by the Department  
4 to be organized and operated exclusively for educational  
5 purposes. For purposes of this exemption, "a corporation,  
6 limited liability company, society, association, foundation,  
7 or institution organized and operated exclusively for  
8 educational purposes" means all tax-supported public schools,  
9 private schools that offer systematic instruction in useful  
10 branches of learning by methods common to public schools and  
11 that compare favorably in their scope and intensity with the  
12 course of study presented in tax-supported schools, and  
13 vocational or technical schools or institutes organized and  
14 operated exclusively to provide a course of study of not less  
15 than 6 weeks duration and designed to prepare individuals to  
16 follow a trade or to pursue a manual, technical, mechanical,  
17 industrial, business, or commercial occupation.

18 (34) Beginning January 1, 2000, personal property,  
19 including food, purchased through fundraising events for the  
20 benefit of a public or private elementary or secondary school,  
21 a group of those schools, or one or more school districts if  
22 the events are sponsored by an entity recognized by the school  
23 district that consists primarily of volunteers and includes  
24 parents and teachers of the school children. This paragraph  
25 does not apply to fundraising events (i) for the benefit of  
26 private home instruction or (ii) for which the fundraising

1 entity purchases the personal property sold at the events from  
2 another individual or entity that sold the property for the  
3 purpose of resale by the fundraising entity and that profits  
4 from the sale to the fundraising entity. This paragraph is  
5 exempt from the provisions of Section 2-70.

6 (35) Beginning January 1, 2000 and through December 31,  
7 2001, new or used automatic vending machines that prepare and  
8 serve hot food and beverages, including coffee, soup, and other  
9 items, and replacement parts for these machines. Beginning  
10 January 1, 2002 and through June 30, 2003, machines and parts  
11 for machines used in commercial, coin-operated amusement and  
12 vending business if a use or occupation tax is paid on the  
13 gross receipts derived from the use of the commercial,  
14 coin-operated amusement and vending machines. This paragraph  
15 is exempt from the provisions of Section 2-70.

16 (35-5) Beginning August 23, 2001 and through June 30, 2011,  
17 food for human consumption that is to be consumed off the  
18 premises where it is sold (other than alcoholic beverages, soft  
19 drinks, and food that has been prepared for immediate  
20 consumption) and prescription and nonprescription medicines,  
21 drugs, medical appliances, and insulin, urine testing  
22 materials, syringes, and needles used by diabetics, for human  
23 use, when purchased for use by a person receiving medical  
24 assistance under Article 5 of the Illinois Public Aid Code who  
25 resides in a licensed long-term care facility, as defined in  
26 the Nursing Home Care Act.

1           (36) Beginning August 2, 2001, computers and  
2 communications equipment utilized for any hospital purpose and  
3 equipment used in the diagnosis, analysis, or treatment of  
4 hospital patients sold to a lessor who leases the equipment,  
5 under a lease of one year or longer executed or in effect at  
6 the time of the purchase, to a hospital that has been issued an  
7 active tax exemption identification number by the Department  
8 under Section 1g of this Act. This paragraph is exempt from the  
9 provisions of Section 2-70.

10           (37) Beginning August 2, 2001, personal property sold to a  
11 lessor who leases the property, under a lease of one year or  
12 longer executed or in effect at the time of the purchase, to a  
13 governmental body that has been issued an active tax exemption  
14 identification number by the Department under Section 1g of  
15 this Act. This paragraph is exempt from the provisions of  
16 Section 2-70.

17           (38) Beginning on January 1, 2002 and through June 30,  
18 2011, tangible personal property purchased from an Illinois  
19 retailer by a taxpayer engaged in centralized purchasing  
20 activities in Illinois who will, upon receipt of the property  
21 in Illinois, temporarily store the property in Illinois (i) for  
22 the purpose of subsequently transporting it outside this State  
23 for use or consumption thereafter solely outside this State or  
24 (ii) for the purpose of being processed, fabricated, or  
25 manufactured into, attached to, or incorporated into other  
26 tangible personal property to be transported outside this State

1 and thereafter used or consumed solely outside this State. The  
2 Director of Revenue shall, pursuant to rules adopted in  
3 accordance with the Illinois Administrative Procedure Act,  
4 issue a permit to any taxpayer in good standing with the  
5 Department who is eligible for the exemption under this  
6 paragraph (38). The permit issued under this paragraph (38)  
7 shall authorize the holder, to the extent and in the manner  
8 specified in the rules adopted under this Act, to purchase  
9 tangible personal property from a retailer exempt from the  
10 taxes imposed by this Act. Taxpayers shall maintain all  
11 necessary books and records to substantiate the use and  
12 consumption of all such tangible personal property outside of  
13 the State of Illinois.

14 (Source: P.A. 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; 93-840,  
15 eff. 7-30-04; 93-1033, eff. 9-3-04; 93-1068, eff. 1-15-05;  
16 94-1002, eff. 7-3-06.)

17 Section 25. The Illinois Horse Racing Act of 1975 is  
18 amended by changing Sections 1.2, 3.11, 15, 20, 26, 26.1, 26.2,  
19 27, 30, 31, and 32.1 and adding Sections 3.24, 3.25, 3.26,  
20 3.27, 31.2, and 56 as follows:

21 (230 ILCS 5/1.2)

22 Sec. 1.2. Legislative intent. This Act is intended to  
23 benefit the people of the State of Illinois by encouraging the  
24 breeding and production of race horses, assisting economic

1 development, and promoting Illinois tourism. The General  
2 Assembly finds and declares it to be the public policy of the  
3 State of Illinois to:

4 (a) support and enhance Illinois' horse racing industry,  
5 which is a significant component within the agribusiness  
6 industry;

7 (b) ensure that Illinois' horse racing industry remains  
8 competitive with neighboring states;

9 (c) stimulate growth within Illinois' horse racing  
10 industry, thereby encouraging new investment and development  
11 to produce additional tax revenues and to create additional  
12 jobs;

13 (d) promote the further growth of tourism;

14 (e) encourage the breeding of thoroughbred and  
15 standardbred horses in this State; and

16 (f) ensure that public confidence and trust in the  
17 credibility and integrity of racing operations and the  
18 regulatory process is maintained.

19 (Source: P.A. 91-40, eff. 6-25-99.)

20 (230 ILCS 5/3.11) (from Ch. 8, par. 37-3.11)

21 Sec. 3.11. "Organization Licensee" means any person  
22 receiving an organization license from the Board to conduct a  
23 race meeting or meetings. With respect only to electronic  
24 gaming, "organization licensee" includes the entity created  
25 under subsection (a) of Section 56 of this Act.

1 (Source: P.A. 79-1185.)

2 (230 ILCS 5/3.24 new)

3 Sec. 3.24. "Gross gaming receipts" means the gross receipts  
4 from electronic gaming less winnings paid to wagerers.

5 (230 ILCS 5/3.25 new)

6 Sec. 3.25. "Electronic gaming" means slot machine  
7 gambling, video game of chance gambling, or both that is  
8 conducted at a race track pursuant to an electronic gaming  
9 license.

10 (230 ILCS 5/3.26 new)

11 Sec. 3.26. "Electronic gaming license" means a license to  
12 conduct electronic gaming issued under Section 56.

13 (230 ILCS 5/3.27 new)

14 Sec. 3.27. "Electronic gaming facility" means that portion  
15 of an organization licensee's race track facility at which  
16 electronic gaming is conducted.

17 (230 ILCS 5/15) (from Ch. 8, par. 37-15)

18 Sec. 15. (a) The Board shall, in its discretion, issue  
19 occupation licenses to horse owners, trainers, harness  
20 drivers, jockeys, agents, apprentices, grooms, stable foremen,  
21 exercise persons, veterinarians, valets, blacksmiths,

1 concessionaires and others designated by the Board whose work,  
2 in whole or in part, is conducted upon facilities within the  
3 State. Such occupation licenses will be obtained prior to the  
4 persons engaging in their vocation upon such facilities. The  
5 Board shall not license pari-mutuel clerks, parking  
6 attendants, security guards and employees of concessionaires.  
7 No occupation license shall be required of any person who works  
8 at facilities within this State as a pari-mutuel clerk, parking  
9 attendant, security guard or as an employee of a  
10 concessionaire. Concessionaires of the Illinois State Fair and  
11 DuQuoin State Fair and employees of the Illinois Department of  
12 Agriculture shall not be required to obtain an occupation  
13 license by the Board.

14 (b) Each application for an occupation license shall be on  
15 forms prescribed by the Board. Such license, when issued, shall  
16 be for the period ending December 31 of each year, except that  
17 the Board in its discretion may grant 3-year licenses. The  
18 application shall be accompanied by a fee of not more than \$25  
19 per year or, in the case of 3-year occupation license  
20 applications, a fee of not more than \$60. Each applicant shall  
21 set forth in the application his full name and address, and if  
22 he had been issued prior occupation licenses or has been  
23 licensed in any other state under any other name, such name,  
24 his age, whether or not a permit or license issued to him in  
25 any other state has been suspended or revoked and if so whether  
26 such suspension or revocation is in effect at the time of the

1 application, and such other information as the Board may  
2 require. Fees for registration of stable names shall not exceed  
3 \$50.00.

4 (c) The Board may in its discretion refuse an occupation  
5 license to any person:

6 (1) who has been convicted of a crime;

7 (2) who is unqualified to perform the duties required  
8 of such applicant;

9 (3) who fails to disclose or states falsely any  
10 information called for in the application;

11 (4) who has been found guilty of a violation of this  
12 Act or of the rules and regulations of the Board; or

13 (5) whose license or permit has been suspended, revoked  
14 or denied for just cause in any other state.

15 (d) The Board may suspend or revoke any occupation license:

16 (1) for violation of any of the provisions of this Act;  
17 or

18 (2) for violation of any of the rules or regulations of  
19 the Board; or

20 (3) for any cause which, if known to the Board, would  
21 have justified the Board in refusing to issue such  
22 occupation license; or

23 (4) for any other just cause.

24 (e) Each applicant shall submit his or her fingerprints  
25 to the Department of State Police in the form and manner  
26 prescribed by the Department of State Police. These

1 fingerprints shall be checked against the fingerprint records  
2 now and hereafter filed in the Department of State Police and  
3 Federal Bureau of Investigation criminal history records  
4 databases. The Department of State Police shall charge a fee  
5 for conducting the criminal history records check, which shall  
6 be deposited in the State Police Services Fund and shall not  
7 exceed the actual cost of the records check. The Department of  
8 State Police shall furnish, pursuant to positive  
9 identification, records of conviction to the Board. Each  
10 applicant for licensure shall submit with his occupation  
11 license application, on forms provided by the Board, 2 sets of  
12 his fingerprints. All such applicants shall appear in person at  
13 the location designated by the Board for the purpose of  
14 submitting such sets of fingerprints; however, with the prior  
15 approval of a State steward, an applicant may have such sets of  
16 fingerprints taken by an official law enforcement agency and  
17 submitted to the Board.

18 (f) The Board may, in its discretion, issue an occupation  
19 license without submission of fingerprints ~~if an applicant has~~  
20 ~~been duly licensed in another recognized racing jurisdiction~~  
21 ~~after submitting fingerprints that were subjected to a Federal~~  
22 ~~Bureau of Investigation criminal history background check in~~  
23 ~~that jurisdiction.~~

24 (Source: P.A. 93-418, eff. 1-1-04.)

25 (230 ILCS 5/20) (from Ch. 8, par. 37-20)

1           Sec. 20. (a) Any person desiring to conduct a horse race  
2 meeting may apply to the Board for an organization license. The  
3 application shall be made on a form prescribed and furnished by  
4 the Board. The application shall specify:

5           (1) the dates on which it intends to conduct the horse  
6 race meeting, which dates shall be provided under Section  
7 21;

8           (2) the hours of each racing day between which it  
9 intends to hold or conduct horse racing at such meeting;

10           (3) the location where it proposes to conduct the  
11 meeting; and

12           (4) any other information the Board may reasonably  
13 require.

14           (b) A separate application for an organization license  
15 shall be filed for each horse race meeting which such person  
16 proposes to hold. Any such application, if made by an  
17 individual, or by any individual as trustee, shall be signed  
18 and verified under oath by such individual. If made by  
19 individuals or a partnership, it shall be signed and verified  
20 under oath by at least 2 of such individuals or members of such  
21 partnership as the case may be. If made by an association,  
22 corporation, corporate trustee or any other entity, it shall be  
23 signed by the president and attested by the secretary or  
24 assistant secretary under the seal of such association, trust  
25 or corporation if it has a seal, and shall also be verified  
26 under oath by one of the signing officers.

1           (c) The application shall specify the name of the persons,  
2 association, trust, or corporation making such application and  
3 the post office address of the applicant; if the applicant is a  
4 trustee, the names and addresses of the beneficiaries; if a  
5 corporation, the names and post office addresses of all  
6 officers, stockholders and directors; or if such stockholders  
7 hold stock as a nominee or fiduciary, the names and post office  
8 addresses of these persons, partnerships, corporations, or  
9 trusts who are the beneficial owners thereof or who are  
10 beneficially interested therein; and if a partnership, the  
11 names and post office addresses of all partners, general or  
12 limited; if the applicant is a corporation, the name of the  
13 state of its incorporation shall be specified.

14           (d) The applicant shall execute and file with the Board a  
15 good faith affirmative action plan to recruit, train, and  
16 upgrade minorities in all classifications within the  
17 association.

18           (e) With such application there shall be delivered to the  
19 Board a certified check or bank draft payable to the order of  
20 the Board for an amount equal to \$1,000. All applications for  
21 the issuance of an organization license shall be filed with the  
22 Board before August 1 of the year prior to the year for which  
23 application is made and shall be acted upon by the Board at a  
24 meeting to be held on such date as shall be fixed by the Board  
25 during the last 15 days of September of such prior year. At  
26 such meeting, the Board shall announce the award of the racing

1 meets, live racing schedule, and designation of host track to  
2 the applicants and its approval or disapproval of each  
3 application. No announcement shall be considered binding until  
4 a formal order is executed by the Board, which shall be  
5 executed no later than October 15 of that prior year. Absent  
6 the agreement of the affected organization licensees, the Board  
7 shall not grant overlapping race meetings to 2 or more tracks  
8 that are within 100 miles of each other to conduct the  
9 thoroughbred racing.

10 (e-3) The Board shall award at least 50 standardbred racing  
11 dates to the organization licensee that conducts racing at  
12 Fairmount Race Track, unless a lesser schedule of live racing  
13 is the result of (A) weather or unsafe track conditions due to  
14 acts of God or (B) a strike between the organization licensee  
15 and the associations representing the largest number of owners,  
16 trainers, jockeys, or standardbred drivers who race horses at  
17 that organization licensee's racing meeting.

18 (e-5) In reviewing an application for the purpose of  
19 granting an organization license consistent with the best  
20 interests of the public and the sport of horse racing, the  
21 Board shall consider:

22 (1) the character, reputation, experience, and  
23 financial integrity of the applicant and of any other  
24 separate person that either:

25 (i) controls the applicant, directly or  
26 indirectly, or

1           (ii) is controlled, directly or indirectly, by  
2           that applicant or by a person who controls, directly or  
3           indirectly, that applicant;

4           (2) the applicant's facilities or proposed facilities  
5           for conducting horse racing;

6           (3) the total revenue without regard to Section 32.1 to  
7           be derived by the State and horsemen from the applicant's  
8           conducting a race meeting;

9           (4) the applicant's good faith affirmative action plan  
10          to recruit, train, and upgrade minorities in all employment  
11          classifications;

12          (5) the applicant's financial ability to purchase and  
13          maintain adequate liability and casualty insurance;

14          (6) the applicant's proposed and prior year's  
15          promotional and marketing activities and expenditures of  
16          the applicant associated with those activities;

17          (7) an agreement, if any, among organization licensees  
18          as provided in subsection (b) of Section 21 of this Act;  
19          and

20          (8) the extent to which the applicant exceeds or meets  
21          other standards for the issuance of an organization license  
22          that the Board shall adopt by rule.

23          In granting organization licenses and allocating dates for  
24          horse race meetings, the Board shall have discretion to  
25          determine an overall schedule, including required simulcasts  
26          of Illinois races by host tracks that will, in its judgment, be

1 conducive to the best interests of the public and the sport of  
2 horse racing.

3 (e-10) The Illinois Administrative Procedure Act shall  
4 apply to administrative procedures of the Board under this Act  
5 for the granting of an organization license, except that (1)  
6 notwithstanding the provisions of subsection (b) of Section  
7 10-40 of the Illinois Administrative Procedure Act regarding  
8 cross-examination, the Board may prescribe rules limiting the  
9 right of an applicant or participant in any proceeding to award  
10 an organization license to conduct cross-examination of  
11 witnesses at that proceeding where that cross-examination  
12 would unduly obstruct the timely award of an organization  
13 license under subsection (e) of Section 20 of this Act; (2) the  
14 provisions of Section 10-45 of the Illinois Administrative  
15 Procedure Act regarding proposals for decision are excluded  
16 under this Act; (3) notwithstanding the provisions of  
17 subsection (a) of Section 10-60 of the Illinois Administrative  
18 Procedure Act regarding ex parte communications, the Board may  
19 prescribe rules allowing ex parte communications with  
20 applicants or participants in a proceeding to award an  
21 organization license where conducting those communications  
22 would be in the best interest of racing, provided all those  
23 communications are made part of the record of that proceeding  
24 pursuant to subsection (c) of Section 10-60 of the Illinois  
25 Administrative Procedure Act; (4) the provisions of Section 14a  
26 of this Act and the rules of the Board promulgated under that

1 Section shall apply instead of the provisions of Article 10 of  
2 the Illinois Administrative Procedure Act regarding  
3 administrative law judges; and (5) the provisions of subsection  
4 (d) of Section 10-65 of the Illinois Administrative Procedure  
5 Act that prevent summary suspension of a license pending  
6 revocation or other action shall not apply.

7 (f) The Board may allot racing dates to an organization  
8 licensee for more than one calendar year but for no more than 3  
9 successive calendar years in advance, provided that the Board  
10 shall review such allotment for more than one calendar year  
11 prior to each year for which such allotment has been made. The  
12 granting of an organization license to a person constitutes a  
13 privilege to conduct a horse race meeting under the provisions  
14 of this Act, and no person granted an organization license  
15 shall be deemed to have a vested interest, property right, or  
16 future expectation to receive an organization license in any  
17 subsequent year as a result of the granting of an organization  
18 license. Organization licenses shall be subject to revocation  
19 if the organization licensee has violated any provision of this  
20 Act or the rules and regulations promulgated under this Act or  
21 has been convicted of a crime or has failed to disclose or has  
22 stated falsely any information called for in the application  
23 for an organization license. Any organization license  
24 revocation proceeding shall be in accordance with Section 16  
25 regarding suspension and revocation of occupation licenses.

26 (f-5) If, (i) an applicant does not file an acceptance of

1 the racing dates awarded by the Board as required under part  
2 (1) of subsection (h) of this Section 20, or (ii) an  
3 organization licensee has its license suspended or revoked  
4 under this Act, the Board, upon conducting an emergency hearing  
5 as provided for in this Act, may reaward on an emergency basis  
6 pursuant to rules established by the Board, racing dates not  
7 accepted or the racing dates associated with any suspension or  
8 revocation period to one or more organization licensees, new  
9 applicants, or any combination thereof, upon terms and  
10 conditions that the Board determines are in the best interest  
11 of racing, provided, the organization licensees or new  
12 applicants receiving the awarded racing dates file an  
13 acceptance of those reawarded racing dates as required under  
14 paragraph (1) of subsection (h) of this Section 20 and comply  
15 with the other provisions of this Act. The Illinois  
16 Administrative Procedures Act shall not apply to the  
17 administrative procedures of the Board in conducting the  
18 emergency hearing and the reallocation of racing dates on an  
19 emergency basis.

20 (g) (Blank).

21 (h) The Board shall send the applicant a copy of its  
22 formally executed order by certified mail addressed to the  
23 applicant at the address stated in his application, which  
24 notice shall be mailed within 5 days of the date the formal  
25 order is executed.

26 Each applicant notified shall, within 10 days after receipt

1 of the final executed order of the Board awarding racing dates:

2 (1) file with the Board an acceptance of such award in  
3 the form prescribed by the Board;

4 (2) pay to the Board an additional amount equal to \$110  
5 for each racing date awarded; and

6 (3) file with the Board the bonds required in Sections  
7 21 and 25 at least 20 days prior to the first day of each  
8 race meeting.

9 Upon compliance with the provisions of paragraphs (1), (2), and  
10 (3) of this subsection (h), the applicant shall be issued an  
11 organization license.

12 If any applicant fails to comply with this Section or fails  
13 to pay the organization license fees herein provided, no  
14 organization license shall be issued to such applicant.

15 (Source: P.A. 91-40, eff. 6-25-99.)

16 (230 ILCS 5/26) (from Ch. 8, par. 37-26)

17 Sec. 26. Wagering.

18 (a) Any licensee may conduct and supervise the pari-mutuel  
19 system of wagering, as defined in Section 3.12 of this Act, on  
20 horse races conducted by an Illinois organization licensee or  
21 conducted at a racetrack located in another state or country  
22 and televised in Illinois in accordance with subsection (g) of  
23 Section 26 of this Act. Subject to the prior consent of the  
24 Board, licensees may supplement any pari-mutuel pool in order  
25 to guarantee a minimum distribution. Such pari-mutuel method of

1     wagering shall not, under any circumstances if conducted under  
2     the provisions of this Act, be held or construed to be  
3     unlawful, other statutes of this State to the contrary  
4     notwithstanding. Subject to rules for advance wagering  
5     promulgated by the Board, any licensee may accept wagers in  
6     advance of the day of the race wagered upon occurs.

7           (b) Except as otherwise provided in Section 56, no other  
8     method of betting, pool making, wagering or gambling shall be  
9     used or permitted by the licensee. Each licensee may retain,  
10    subject to the payment of all applicable taxes and purses, an  
11    amount not to exceed 17% of all money wagered under subsection  
12    (a) of this Section, except as may otherwise be permitted under  
13    this Act.

14           (b-5) An individual may place a wager under the pari-mutuel  
15    system from any licensed location authorized under this Act  
16    provided that wager is electronically recorded in the manner  
17    described in Section 3.12 of this Act. Any wager made  
18    electronically by an individual while physically on the  
19    premises of a licensee shall be deemed to have been made at the  
20    premises of that licensee.

21           (c) Until January 1, 2000, the sum held by any licensee for  
22    payment of outstanding pari-mutuel tickets, if unclaimed prior  
23    to December 31 of the next year, shall be retained by the  
24    licensee for payment of such tickets until that date. Within 10  
25    days thereafter, the balance of such sum remaining unclaimed,  
26    less any uncashed supplements contributed by such licensee for

1 the purpose of guaranteeing minimum distributions of any  
2 pari-mutuel pool, shall be paid to the Illinois Veterans'  
3 Rehabilitation Fund of the State treasury, except as provided  
4 in subsection (g) of Section 27 of this Act.

5 (c-5) Beginning January 1, 2000, the sum held by any  
6 licensee for payment of outstanding pari-mutuel tickets, if  
7 unclaimed prior to December 31 of the next year, shall be  
8 retained by the licensee for payment of such tickets until that  
9 date. Within 10 days thereafter, the balance of such sum  
10 remaining unclaimed, less any uncashed supplements contributed  
11 by such licensee for the purpose of guaranteeing minimum  
12 distributions of any pari-mutuel pool, shall be evenly  
13 distributed to the purse account of the organization licensee  
14 and the organization licensee.

15 (d) A pari-mutuel ticket shall be honored until December 31  
16 of the next calendar year, and the licensee shall pay the same  
17 and may charge the amount thereof against unpaid money  
18 similarly accumulated on account of pari-mutuel tickets not  
19 presented for payment.

20 (e) No licensee shall knowingly permit any minor, other  
21 than an employee of such licensee or an owner, trainer, jockey,  
22 driver, or employee thereof, to be admitted during a racing  
23 program unless accompanied by a parent or guardian, or any  
24 minor to be a patron of the pari-mutuel system of wagering  
25 conducted or supervised by it. The admission of any  
26 unaccompanied minor, other than an employee of the licensee or

1 an owner, trainer, jockey, driver, or employee thereof at a  
2 race track is a Class C misdemeanor.

3 (f) Notwithstanding the other provisions of this Act, an  
4 organization licensee may contract with an entity in another  
5 state or country to permit any legal wagering entity in another  
6 state or country to accept wagers solely within such other  
7 state or country on races conducted by the organization  
8 licensee in this State. Beginning January 1, 2000, these wagers  
9 shall not be subject to State taxation. Until January 1, 2000,  
10 when the out-of-State entity conducts a pari-mutuel pool  
11 separate from the organization licensee, a privilege tax equal  
12 to 7 1/2% of all monies received by the organization licensee  
13 from entities in other states or countries pursuant to such  
14 contracts is imposed on the organization licensee, and such  
15 privilege tax shall be remitted to the Department of Revenue  
16 within 48 hours of receipt of the moneys from the simulcast.  
17 When the out-of-State entity conducts a combined pari-mutuel  
18 pool with the organization licensee, the tax shall be 10% of  
19 all monies received by the organization licensee with 25% of  
20 the receipts from this 10% tax to be distributed to the county  
21 in which the race was conducted.

22 An organization licensee may permit one or more of its  
23 races to be utilized for pari-mutuel wagering at one or more  
24 locations in other states and may transmit audio and visual  
25 signals of races the organization licensee conducts to one or  
26 more locations outside the State or country and may also permit

1 pari-mutuel pools in other states or countries to be combined  
2 with its gross or net wagering pools or with wagering pools  
3 established by other states.

4 (g) A host track may accept interstate simulcast wagers on  
5 horse races conducted in other states or countries and shall  
6 control the number of signals and types of breeds of racing in  
7 its simulcast program, subject to the disapproval of the Board.  
8 The Board may prohibit a simulcast program only if it finds  
9 that the simulcast program is clearly adverse to the integrity  
10 of racing. The host track simulcast program shall include the  
11 signal of live racing of all organization licensees. All  
12 non-host licensees shall carry the host track simulcast program  
13 and accept wagers on all races included as part of the  
14 simulcast program upon which wagering is permitted. The costs  
15 and expenses of the host track and non-host licensees  
16 associated with interstate simulcast wagering, other than the  
17 interstate commission fee, shall be borne by the host track and  
18 all non-host licensees incurring these costs. The interstate  
19 commission fee shall not exceed 5% of Illinois handle on the  
20 interstate simulcast race or races without prior approval of  
21 the Board. The Board shall promulgate rules under which it may  
22 permit interstate commission fees in excess of 5%. The  
23 interstate commission fee and other fees charged by the sending  
24 racetrack, including, but not limited to, satellite decoder  
25 fees, shall be uniformly applied to the host track and all  
26 non-host licensees.

1           (1) Between the hours of 6:30 a.m. and 6:30 p.m. an  
2 intertrack wagering licensee other than the host track may  
3 supplement the host track simulcast program with  
4 additional simulcast races or race programs, provided that  
5 between January 1 and the third Friday in February of any  
6 year, inclusive, if no live thoroughbred racing is  
7 occurring in Illinois during this period, only  
8 thoroughbred races may be used for supplemental interstate  
9 simulcast purposes. The Board shall withhold approval for a  
10 supplemental interstate simulcast only if it finds that the  
11 simulcast is clearly adverse to the integrity of racing. A  
12 supplemental interstate simulcast may be transmitted from  
13 an intertrack wagering licensee to its affiliated non-host  
14 licensees. The interstate commission fee for a  
15 supplemental interstate simulcast shall be paid by the  
16 non-host licensee and its affiliated non-host licensees  
17 receiving the simulcast.

18           (2) Between the hours of 6:30 p.m. and 6:30 a.m. an  
19 intertrack wagering licensee other than the host track may  
20 receive supplemental interstate simulcasts only with the  
21 consent of the host track, except when the Board finds that  
22 the simulcast is clearly adverse to the integrity of  
23 racing. Consent granted under this paragraph (2) to any  
24 intertrack wagering licensee shall be deemed consent to all  
25 non-host licensees. The interstate commission fee for the  
26 supplemental interstate simulcast shall be paid by all

1 participating non-host licensees.

2 (3) Each licensee conducting interstate simulcast  
3 wagering may retain, subject to the payment of all  
4 applicable taxes and the purses, an amount not to exceed  
5 17% of all money wagered. If any licensee conducts the  
6 pari-mutuel system wagering on races conducted at  
7 racetracks in another state or country, each such race or  
8 race program shall be considered a separate racing day for  
9 the purpose of determining the daily handle and computing  
10 the privilege tax of that daily handle as provided in  
11 subsection (a) of Section 27. Until January 1, 2000, from  
12 the sums permitted to be retained pursuant to this  
13 subsection, each intertrack wagering location licensee  
14 shall pay 1% of the pari-mutuel handle wagered on simulcast  
15 wagering to the Horse Racing Tax Allocation Fund, subject  
16 to the provisions of subparagraph (B) of paragraph (11) of  
17 subsection (h) of Section 26 of this Act.

18 (4) A licensee who receives an interstate simulcast may  
19 combine its gross or net pools with pools at the sending  
20 racetracks pursuant to rules established by the Board. All  
21 licensees combining their gross pools at a sending  
22 racetrack shall adopt the take-out percentages of the  
23 sending racetrack. A licensee may also establish a separate  
24 pool and takeout structure for wagering purposes on races  
25 conducted at race tracks outside of the State of Illinois.  
26 The licensee may permit pari-mutuel wagers placed in other

1 states or countries to be combined with its gross or net  
2 wagering pools or other wagering pools.

3 (5) After the payment of the interstate commission fee  
4 (except for the interstate commission fee on a supplemental  
5 interstate simulcast, which shall be paid by the host track  
6 and by each non-host licensee through the host-track) and  
7 all applicable State and local taxes, except as provided in  
8 subsection (g) of Section 27 of this Act, the remainder of  
9 moneys retained from simulcast wagering pursuant to this  
10 subsection (g), and Section 26.2 shall be divided as  
11 follows:

12 (A) For interstate simulcast wagers made at a host  
13 track, 50% to the host track and 50% to purses at the  
14 host track.

15 (B) For wagers placed on interstate simulcast  
16 races, supplemental simulcasts as defined in  
17 subparagraphs (1) and (2), and separately pooled races  
18 conducted outside of the State of Illinois made at a  
19 non-host licensee, 25% to the host track, 25% to the  
20 non-host licensee, and 50% to the purses at the host  
21 track.

22 (6) Notwithstanding any provision in this Act to the  
23 contrary, non-host licensees who derive their licenses  
24 from a track located in a county with a population in  
25 excess of 230,000 and that borders the Mississippi River  
26 may receive supplemental interstate simulcast races at all

1 times subject to Board approval, which shall be withheld  
2 only upon a finding that a supplemental interstate  
3 simulcast is clearly adverse to the integrity of racing.

4 (7) Notwithstanding any provision of this Act to the  
5 contrary, after payment of all applicable State and local  
6 taxes and interstate commission fees, non-host licensees  
7 who derive their licenses from a track located in a county  
8 with a population in excess of 230,000 and that borders the  
9 Mississippi River shall retain 50% of the retention from  
10 interstate simulcast wagers and shall pay 50% to purses at  
11 the track from which the non-host licensee derives its  
12 license as follows:

13 (A) Between January 1 and the third Friday in  
14 February, inclusive, if no live thoroughbred racing is  
15 occurring in Illinois during this period, when the  
16 interstate simulcast is a standardbred race, the purse  
17 share to its standardbred purse account;

18 (B) Between January 1 and the third Friday in  
19 February, inclusive, if no live thoroughbred racing is  
20 occurring in Illinois during this period, and the  
21 interstate simulcast is a thoroughbred race, the purse  
22 share to its interstate simulcast purse pool to be  
23 distributed under paragraph (10) of this subsection  
24 (g);

25 (C) Between January 1 and the third Friday in  
26 February, inclusive, if live thoroughbred racing is

1 occurring in Illinois, between 6:30 a.m. and 6:30 p.m.  
2 the purse share from wagers made during this time  
3 period to its thoroughbred purse account and between  
4 6:30 p.m. and 6:30 a.m. the purse share from wagers  
5 made during this time period to its standardbred purse  
6 accounts;

7 (D) Between the third Saturday in February and  
8 December 31, when the interstate simulcast occurs  
9 between the hours of 6:30 a.m. and 6:30 p.m., the purse  
10 share to its thoroughbred purse account;

11 (E) Between the third Saturday in February and  
12 December 31, when the interstate simulcast occurs  
13 between the hours of 6:30 p.m. and 6:30 a.m., the purse  
14 share to its standardbred purse account.

15 (7.1) Notwithstanding any other provision of this Act  
16 to the contrary, if no standardbred racing is conducted at  
17 a racetrack located in Madison County during any calendar  
18 year beginning on or after January 1, 2002, all moneys  
19 derived by that racetrack from simulcast wagering and  
20 inter-track wagering that (1) are to be used for purses and  
21 (2) are generated between the hours of 6:30 p.m. and 6:30  
22 a.m. during that calendar year shall be paid as follows:

23 (A) If the licensee that conducts horse racing at  
24 that racetrack requests from the Board at least as many  
25 racing dates as were conducted in calendar year 2000,  
26 80% shall be paid to its thoroughbred purse account;

1           and

2                   (B) Twenty percent shall be deposited into the  
3           Illinois Colt Stakes Purse Distribution Fund and shall  
4           be paid to purses for standardbred races for Illinois  
5           conceived and foaled horses conducted at any county  
6           fairgrounds. The moneys deposited into the Fund  
7           pursuant to this subparagraph (B) shall be deposited  
8           within 2 weeks after the day they were generated, shall  
9           be in addition to and not in lieu of any other moneys  
10          paid to standardbred purses under this Act, and shall  
11          not be commingled with other moneys paid into that  
12          Fund. The moneys deposited pursuant to this  
13          subparagraph (B) shall be allocated as provided by the  
14          Department of Agriculture, with the advice and  
15          assistance of the Illinois Standardbred Breeders Fund  
16          Advisory Board.

17           (7.2) Notwithstanding any other provision of this Act  
18          to the contrary, if no thoroughbred racing is conducted at  
19          a racetrack located in Madison County during any calendar  
20          year beginning on or after January 1, 2002, all moneys  
21          derived by that racetrack from simulcast wagering and  
22          inter-track wagering that (1) are to be used for purses and  
23          (2) are generated between the hours of 6:30 a.m. and 6:30  
24          p.m. during that calendar year shall be deposited as  
25          follows:

26                   (A) If the licensee that conducts horse racing at

1 that racetrack requests from the Board at least as many  
2 racing dates as were conducted in calendar year 2000,  
3 80% shall be deposited into its standardbred purse  
4 account; and

5 (B) Twenty percent shall be deposited into the  
6 Illinois Colt Stakes Purse Distribution Fund. Moneys  
7 deposited into the Illinois Colt Stakes Purse  
8 Distribution Fund pursuant to this subparagraph (B)  
9 shall be paid to Illinois conceived and foaled  
10 thoroughbred breeders' programs and to thoroughbred  
11 purses for races conducted at any county fairgrounds  
12 for Illinois conceived and foaled horses at the  
13 discretion of the Department of Agriculture, with the  
14 advice and assistance of the Illinois Thoroughbred  
15 Breeders Fund Advisory Board. The moneys deposited  
16 into the Illinois Colt Stakes Purse Distribution Fund  
17 pursuant to this subparagraph (B) shall be deposited  
18 within 2 weeks after the day they were generated, shall  
19 be in addition to and not in lieu of any other moneys  
20 paid to thoroughbred purses under this Act, and shall  
21 not be commingled with other moneys deposited into that  
22 Fund.

23 (7.3) If no live standardbred racing is conducted at a  
24 racetrack located in Madison County in calendar year 2000  
25 or 2001, an organization licensee who is licensed to  
26 conduct horse racing at that racetrack shall, before

1           January 1, 2002, pay all moneys derived from simulcast  
2           wagering and inter-track wagering in calendar years 2000  
3           and 2001 and paid into the licensee's standardbred purse  
4           account as follows:

5                   (A) Eighty percent to that licensee's thoroughbred  
6                   purse account to be used for thoroughbred purses; and

7                   (B) Twenty percent to the Illinois Colt Stakes  
8                   Purse Distribution Fund.

9           Failure to make the payment to the Illinois Colt Stakes  
10           Purse Distribution Fund before January 1, 2002 shall result  
11           in the immediate revocation of the licensee's organization  
12           license, inter-track wagering license, and inter-track  
13           wagering location license.

14           Moneys paid into the Illinois Colt Stakes Purse  
15           Distribution Fund pursuant to this paragraph (7.3) shall be  
16           paid to purses for standardbred races for Illinois  
17           conceived and foaled horses conducted at any county  
18           fairgrounds. Moneys paid into the Illinois Colt Stakes  
19           Purse Distribution Fund pursuant to this paragraph (7.3)  
20           shall be used as determined by the Department of  
21           Agriculture, with the advice and assistance of the Illinois  
22           Standardbred Breeders Fund Advisory Board, shall be in  
23           addition to and not in lieu of any other moneys paid to  
24           standardbred purses under this Act, and shall not be  
25           commingled with any other moneys paid into that Fund.

26           (7.4) If live standardbred racing is conducted at a

1 racetrack located in Madison County at any time in calendar  
2 year 2001 before the payment required under paragraph (7.3)  
3 has been made, the organization licensee who is licensed to  
4 conduct racing at that racetrack shall pay all moneys  
5 derived by that racetrack from simulcast wagering and  
6 inter-track wagering during calendar years 2000 and 2001  
7 that (1) are to be used for purses and (2) are generated  
8 between the hours of 6:30 p.m. and 6:30 a.m. during 2000 or  
9 2001 to the standardbred purse account at that racetrack to  
10 be used for standardbred purses.

11 (8) Notwithstanding any provision in this Act to the  
12 contrary, an organization licensee from a track located in  
13 a county with a population in excess of 230,000 and that  
14 borders the Mississippi River and its affiliated non-host  
15 licensees shall not be entitled to share in any retention  
16 generated on racing, inter-track wagering, or simulcast  
17 wagering at any other Illinois wagering facility.

18 (8.1) Notwithstanding any provisions in this Act to the  
19 contrary, if 2 organization licensees are conducting  
20 standardbred race meetings concurrently between the hours  
21 of 6:30 p.m. and 6:30 a.m., after payment of all applicable  
22 State and local taxes and interstate commission fees, the  
23 remainder of the amount retained from simulcast wagering  
24 otherwise attributable to the host track and to host track  
25 purses shall be split daily between the 2 organization  
26 licensees and the purses at the tracks of the 2

1 organization licensees, respectively, based on each  
2 organization licensee's share of the total live handle for  
3 that day, provided that this provision shall not apply to  
4 any non-host licensee that derives its license from a track  
5 located in a county with a population in excess of 230,000  
6 and that borders the Mississippi River.

7 (9) (Blank).

8 (10) (Blank).

9 (11) (Blank).

10 (12) The Board shall have authority to compel all host  
11 tracks to receive the simulcast of any or all races  
12 conducted at the Springfield or DuQuoin State fairgrounds  
13 and include all such races as part of their simulcast  
14 programs.

15 (13) Notwithstanding any other provision of this Act,  
16 in the event that the total Illinois pari-mutuel handle on  
17 Illinois horse races at all wagering facilities in any  
18 calendar year is less than 75% of the total Illinois  
19 pari-mutuel handle on Illinois horse races at all such  
20 wagering facilities for calendar year 1994, then each  
21 wagering facility that has an annual total Illinois  
22 pari-mutuel handle on Illinois horse races that is less  
23 than 75% of the total Illinois pari-mutuel handle on  
24 Illinois horse races at such wagering facility for calendar  
25 year 1994, shall be permitted to receive, from any amount  
26 otherwise payable to the purse account at the race track

1 with which the wagering facility is affiliated in the  
2 succeeding calendar year, an amount equal to 2% of the  
3 differential in total Illinois pari-mutuel handle on  
4 Illinois horse races at the wagering facility between that  
5 calendar year in question and 1994 provided, however, that  
6 a wagering facility shall not be entitled to any such  
7 payment until the Board certifies in writing to the  
8 wagering facility the amount to which the wagering facility  
9 is entitled and a schedule for payment of the amount to the  
10 wagering facility, based on: (i) the racing dates awarded  
11 to the race track affiliated with the wagering facility  
12 during the succeeding year; (ii) the sums available or  
13 anticipated to be available in the purse account of the  
14 race track affiliated with the wagering facility for purses  
15 during the succeeding year; and (iii) the need to ensure  
16 reasonable purse levels during the payment period. The  
17 Board's certification shall be provided no later than  
18 January 31 of the succeeding year. In the event a wagering  
19 facility entitled to a payment under this paragraph (13) is  
20 affiliated with a race track that maintains purse accounts  
21 for both standardbred and thoroughbred racing, the amount  
22 to be paid to the wagering facility shall be divided  
23 between each purse account pro rata, based on the amount of  
24 Illinois handle on Illinois standardbred and thoroughbred  
25 racing respectively at the wagering facility during the  
26 previous calendar year. Annually, the General Assembly

1 shall appropriate sufficient funds from the General  
2 Revenue Fund to the Department of Agriculture for payment  
3 into the thoroughbred and standardbred horse racing purse  
4 accounts at Illinois pari-mutuel tracks. The amount paid to  
5 each purse account shall be the amount certified by the  
6 Illinois Racing Board in January to be transferred from  
7 each account to each eligible racing facility in accordance  
8 with the provisions of this Section. For the calendar year  
9 in which an organization licensee that is eligible to  
10 receive a payment under this paragraph (13) begins  
11 conducting electronic gaming pursuant to an electronic  
12 gaming license, the amount of that payment shall be reduced  
13 by a percentage equal to the percentage of the year  
14 remaining after the organization licensee begins  
15 conducting electronic gaming pursuant to its electronic  
16 gaming license. An organization licensee shall no longer be  
17 able to receive payments under this paragraph (13)  
18 beginning on the January 1 first occurring after the  
19 licensee begins conducting electronic gaming pursuant to  
20 an electronic gaming license issued under Section 7.6 of  
21 the Riverboat Gambling Act.

22 (h) The Board may approve and license the conduct of  
23 inter-track wagering and simulcast wagering by inter-track  
24 wagering licensees and inter-track wagering location licensees  
25 subject to the following terms and conditions:

26 (1) Any person licensed to conduct a race meeting (i)

1 at a track where 60 or more days of racing were conducted  
2 during the immediately preceding calendar year or where  
3 over the 5 immediately preceding calendar years an average  
4 of 30 or more days of racing were conducted annually may be  
5 issued an inter-track wagering license; (ii) at a track  
6 located in a county that is bounded by the Mississippi  
7 River, which has a population of less than 150,000  
8 according to the 1990 decennial census, and an average of  
9 at least 60 days of racing per year between 1985 and 1993  
10 may be issued an inter-track wagering license; or (iii) at  
11 a track located in Madison County that conducted at least  
12 100 days of live racing during the immediately preceding  
13 calendar year may be issued an inter-track wagering  
14 license, unless a lesser schedule of live racing is the  
15 result of (A) weather, unsafe track conditions, or other  
16 acts of God; (B) an agreement between the organization  
17 licensee and the associations representing the largest  
18 number of owners, trainers, jockeys, or standardbred  
19 drivers who race horses at that organization licensee's  
20 racing meeting; or (C) a finding by the Board of  
21 extraordinary circumstances and that it was in the best  
22 interest of the public and the sport to conduct fewer than  
23 100 days of live racing. Any such person having operating  
24 control of the racing facility may also receive up to 6  
25 inter-track wagering location licenses. In no event shall  
26 more than 6 inter-track wagering locations be established

1 for each eligible race track, except that an eligible race  
2 track located in a county that has a population of more  
3 than 230,000 and that is bounded by the Mississippi River  
4 may establish up to 7 inter-track wagering locations. An  
5 application for said license shall be filed with the Board  
6 prior to such dates as may be fixed by the Board. With an  
7 application for an inter-track wagering location license  
8 there shall be delivered to the Board a certified check or  
9 bank draft payable to the order of the Board for an amount  
10 equal to \$500. The application shall be on forms prescribed  
11 and furnished by the Board. The application shall comply  
12 with all other rules, regulations and conditions imposed by  
13 the Board in connection therewith.

14 (2) The Board shall examine the applications with  
15 respect to their conformity with this Act and the rules and  
16 regulations imposed by the Board. If found to be in  
17 compliance with the Act and rules and regulations of the  
18 Board, the Board may then issue a license to conduct  
19 inter-track wagering and simulcast wagering to such  
20 applicant. All such applications shall be acted upon by the  
21 Board at a meeting to be held on such date as may be fixed  
22 by the Board.

23 (3) In granting licenses to conduct inter-track  
24 wagering and simulcast wagering, the Board shall give due  
25 consideration to the best interests of the public, of horse  
26 racing, and of maximizing revenue to the State.

1           (4) Prior to the issuance of a license to conduct  
2 inter-track wagering and simulcast wagering, the applicant  
3 shall file with the Board a bond payable to the State of  
4 Illinois in the sum of \$50,000, executed by the applicant  
5 and a surety company or companies authorized to do business  
6 in this State, and conditioned upon (i) the payment by the  
7 licensee of all taxes due under Section 27 or 27.1 and any  
8 other monies due and payable under this Act, and (ii)  
9 distribution by the licensee, upon presentation of the  
10 winning ticket or tickets, of all sums payable to the  
11 patrons of pari-mutuel pools.

12           (5) Each license to conduct inter-track wagering and  
13 simulcast wagering shall specify the person to whom it is  
14 issued, the dates on which such wagering is permitted, and  
15 the track or location where the wagering is to be  
16 conducted.

17           (6) All wagering under such license is subject to this  
18 Act and to the rules and regulations from time to time  
19 prescribed by the Board, and every such license issued by  
20 the Board shall contain a recital to that effect.

21           (7) An inter-track wagering licensee or inter-track  
22 wagering location licensee may accept wagers at the track  
23 or location where it is licensed, or as otherwise provided  
24 under this Act.

25           (8) Inter-track wagering or simulcast wagering shall  
26 not be conducted at any track less than 5 miles from a

1 track at which a racing meeting is in progress.

2 (8.1) Inter-track wagering location licensees who  
3 derive their licenses from a particular organization  
4 licensee shall conduct inter-track wagering and simulcast  
5 wagering only at locations which are either within 90 miles  
6 of that race track where the particular organization  
7 licensee is licensed to conduct racing, or within 135 miles  
8 of that race track where the particular organization  
9 licensee is licensed to conduct racing in the case of race  
10 tracks in counties of less than 400,000 that were operating  
11 on or before June 1, 1986. However, inter-track wagering  
12 and simulcast wagering shall not be conducted by those  
13 licensees at any location within 5 miles of any race track  
14 at which a horse race meeting has been licensed in the  
15 current year, unless the person having operating control of  
16 such race track has given its written consent to such  
17 inter-track wagering location licensees, which consent  
18 must be filed with the Board at or prior to the time  
19 application is made.

20 (8.2) Inter-track wagering or simulcast wagering shall  
21 not be conducted by an inter-track wagering location  
22 licensee at any location within 500 feet of an existing  
23 church or existing school, nor within 500 feet of the  
24 residences of more than 50 registered voters without  
25 receiving written permission from a majority of the  
26 registered voters at such residences. Such written

1 permission statements shall be filed with the Board. The  
2 distance of 500 feet shall be measured to the nearest part  
3 of any building used for worship services, education  
4 programs, residential purposes, or conducting inter-track  
5 wagering by an inter-track wagering location licensee, and  
6 not to property boundaries. However, inter-track wagering  
7 or simulcast wagering may be conducted at a site within 500  
8 feet of a church, school or residences of 50 or more  
9 registered voters if such church, school or residences have  
10 been erected or established, or such voters have been  
11 registered, after the Board issues the original  
12 inter-track wagering location license at the site in  
13 question. Inter-track wagering location licensees may  
14 conduct inter-track wagering and simulcast wagering only  
15 in areas that are zoned for commercial or manufacturing  
16 purposes or in areas for which a special use has been  
17 approved by the local zoning authority. However, no license  
18 to conduct inter-track wagering and simulcast wagering  
19 shall be granted by the Board with respect to any  
20 inter-track wagering location within the jurisdiction of  
21 any local zoning authority which has, by ordinance or by  
22 resolution, prohibited the establishment of an inter-track  
23 wagering location within its jurisdiction. However,  
24 inter-track wagering and simulcast wagering may be  
25 conducted at a site if such ordinance or resolution is  
26 enacted after the Board licenses the original inter-track

1           wagering location licensee for the site in question.

2           (9) (Blank).

3           (10) An inter-track wagering licensee or an  
4 inter-track wagering location licensee may retain, subject  
5 to the payment of the privilege taxes and the purses, an  
6 amount not to exceed 17% of all money wagered. Each program  
7 of racing conducted by each inter-track wagering licensee  
8 or inter-track wagering location licensee shall be  
9 considered a separate racing day for the purpose of  
10 determining the daily handle and computing the privilege  
11 tax or pari-mutuel tax on such daily handle as provided in  
12 Section 27.

13           (10.1) Except as provided in subsection (g) of Section  
14 27 of this Act, inter-track wagering location licensees  
15 shall pay 1% of the pari-mutuel handle at each location to  
16 the municipality in which such location is situated and 1%  
17 of the pari-mutuel handle at each location to the county in  
18 which such location is situated. In the event that an  
19 inter-track wagering location licensee is situated in an  
20 unincorporated area of a county, such licensee shall pay 2%  
21 of the pari-mutuel handle from such location to such  
22 county.

23           (10.2) Notwithstanding any other provision of this  
24 Act, with respect to intertrack wagering at a race track  
25 located in a county that has a population of more than  
26 230,000 and that is bounded by the Mississippi River ("the

1 first race track"), or at a facility operated by an  
2 inter-track wagering licensee or inter-track wagering  
3 location licensee that derives its license from the  
4 organization licensee that operates the first race track,  
5 on races conducted at the first race track or on races  
6 conducted at another Illinois race track and  
7 simultaneously televised to the first race track or to a  
8 facility operated by an inter-track wagering licensee or  
9 inter-track wagering location licensee that derives its  
10 license from the organization licensee that operates the  
11 first race track, those moneys shall be allocated as  
12 follows:

13 (A) That portion of all moneys wagered on  
14 standardbred racing that is required under this Act to  
15 be paid to purses shall be paid to purses for  
16 standardbred races.

17 (B) That portion of all moneys wagered on  
18 thoroughbred racing that is required under this Act to  
19 be paid to purses shall be paid to purses for  
20 thoroughbred races.

21 (11) (A) After payment of the privilege or pari-mutuel  
22 tax, any other applicable taxes, and the costs and expenses  
23 in connection with the gathering, transmission, and  
24 dissemination of all data necessary to the conduct of  
25 inter-track wagering, the remainder of the monies retained  
26 under either Section 26 or Section 26.2 of this Act by the

1 inter-track wagering licensee on inter-track wagering  
2 shall be allocated with 50% to be split between the 2  
3 participating licensees and 50% to purses, except that an  
4 intertrack wagering licensee that derives its license from  
5 a track located in a county with a population in excess of  
6 230,000 and that borders the Mississippi River shall not  
7 divide any remaining retention with the Illinois  
8 organization licensee that provides the race or races, and  
9 an intertrack wagering licensee that accepts wagers on  
10 races conducted by an organization licensee that conducts a  
11 race meet in a county with a population in excess of  
12 230,000 and that borders the Mississippi River shall not  
13 divide any remaining retention with that organization  
14 licensee.

15 (B) From the sums permitted to be retained pursuant to  
16 paragraph (10) of this subsection (h), ~~this Act~~ each  
17 inter-track wagering location licensee shall pay (i) the  
18 privilege or pari-mutuel tax to the State; (ii) 6.75% ~~4.75%~~  
19 of the pari-mutuel handle on intertrack wagering at such  
20 location on races as purses, except that an intertrack  
21 wagering location licensee that derives its license from a  
22 track located in a county with a population in excess of  
23 230,000 and that borders the Mississippi River shall retain  
24 all purse moneys for its own purse account consistent with  
25 distribution set forth in this subsection (h), and  
26 intertrack wagering location licensees that accept wagers

1 on races conducted by an organization licensee located in a  
2 county with a population in excess of 230,000 and that  
3 borders the Mississippi River shall distribute all purse  
4 moneys to purses at the operating host track; (iii) until  
5 January 1, 2000, except as provided in subsection (g) of  
6 Section 27 of this Act, 1% of the pari-mutuel handle  
7 wagered on inter-track wagering and simulcast wagering at  
8 each inter-track wagering location licensee facility to  
9 the Horse Racing Tax Allocation Fund, provided that, to the  
10 extent the total amount collected and distributed to the  
11 Horse Racing Tax Allocation Fund under this subsection (h)  
12 during any calendar year exceeds the amount collected and  
13 distributed to the Horse Racing Tax Allocation Fund during  
14 calendar year 1994, that excess amount shall be  
15 redistributed (I) to all inter-track wagering location  
16 licensees, based on each licensee's pro-rata share of the  
17 total handle from inter-track wagering and simulcast  
18 wagering for all inter-track wagering location licensees  
19 during the calendar year in which this provision is  
20 applicable; then (II) the amounts redistributed to each  
21 inter-track wagering location licensee as described in  
22 subpart (I) shall be further redistributed as provided in  
23 subparagraph (B) of paragraph (5) of subsection (g) of this  
24 Section 26 provided first, that the shares of those  
25 amounts, which are to be redistributed to the host track or  
26 to purses at the host track under subparagraph (B) of

1 paragraph (5) of subsection (g) of this Section 26 shall be  
2 redistributed based on each host track's pro rata share of  
3 the total inter-track wagering and simulcast wagering  
4 handle at all host tracks during the calendar year in  
5 question, and second, that any amounts redistributed as  
6 described in part (I) to an inter-track wagering location  
7 licensee that accepts wagers on races conducted by an  
8 organization licensee that conducts a race meet in a county  
9 with a population in excess of 230,000 and that borders the  
10 Mississippi River shall be further redistributed as  
11 provided in subparagraphs (D) and (E) of paragraph (7) of  
12 subsection (g) of this Section 26, with the portion of that  
13 further redistribution allocated to purses at that  
14 organization licensee to be divided between standardbred  
15 purses and thoroughbred purses based on the amounts  
16 otherwise allocated to purses at that organization  
17 licensee during the calendar year in question; and (iv)  
18 6.75% ~~8%~~ of the pari-mutuel handle on inter-track wagering  
19 wagered at such location to satisfy all costs and expenses  
20 of conducting its wagering. The remainder of the monies  
21 retained by the inter-track wagering location licensee  
22 shall be allocated 40% to the location licensee and 60% to  
23 the organization licensee which provides the Illinois  
24 races to the location, except that an intertrack wagering  
25 location licensee that derives its license from a track  
26 located in a county with a population in excess of 230,000

1 and that borders the Mississippi River shall not divide any  
2 remaining retention with the organization licensee that  
3 provides the race or races and an intertrack wagering  
4 location licensee that accepts wagers on races conducted by  
5 an organization licensee that conducts a race meet in a  
6 county with a population in excess of 230,000 and that  
7 borders the Mississippi River shall not divide any  
8 remaining retention with the organization licensee.  
9 Notwithstanding the provisions of clauses (ii) and (iv) of  
10 this paragraph, in the case of the additional inter-track  
11 wagering location licenses authorized under paragraph (1)  
12 of this subsection (h) by this amendatory Act of 1991,  
13 those licensees shall pay 6.75% of the pari-mutuel handle  
14 ~~the following amounts as purses. The: during the first 12~~  
15 ~~months the licensee is in operation, 5.25% of the~~  
16 ~~pari mutuel handle wagered at the location on races; during~~  
17 ~~the second 12 months, 5.25%; during the third 12 months,~~  
18 ~~5.75%; during the fourth 12 months, 6.25%; and during the~~  
19 ~~fifth 12 months and thereafter, 6.75%. The following~~  
20 ~~amounts shall be retained by the licensee shall retain~~  
21 6.75% of the pari-mutuel handle to satisfy all costs and  
22 expenses of conducting its wagering. ~~.: during the first 12~~  
23 ~~months the licensee is in operation, 8.25% of the~~  
24 ~~pari mutuel handle wagered at the location; during the~~  
25 ~~second 12 months, 8.25%; during the third 12 months, 7.75%;~~  
26 ~~during the fourth 12 months, 7.25%; and during the fifth 12~~

1 ~~months and thereafter, 6.75%. For additional intertrack~~  
2 ~~wagering location licensees authorized under this~~  
3 ~~amendatory Act of 1995, after all taxes are paid, of the~~  
4 ~~remainder, 50% shall be retained by the licensee and 50%~~  
5 ~~shall be paid to purses. purses for the first 12 months the~~  
6 ~~licensee is in operation shall be 5.75% of the pari mutuel~~  
7 ~~wagered at the location, purses for the second 12 months~~  
8 ~~the licensee is in operation shall be 6.25%, and purses~~  
9 ~~thereafter shall be 6.75%. For additional intertrack~~  
10 ~~location licensees authorized under this amendatory Act of~~  
11 ~~1995, the licensee shall be allowed to retain to satisfy~~  
12 ~~all costs and expenses: 7.75% of the pari mutuel handle~~  
13 ~~wagered at the location during its first 12 months of~~  
14 ~~operation, 7.25% during its second 12 months of operation,~~  
15 ~~and 6.75% thereafter.~~

16 (C) There is hereby created the Horse Racing Tax  
17 Allocation Fund which shall remain in existence until  
18 December 31, 1999. Moneys remaining in the Fund after  
19 December 31, 1999 shall be paid into the General Revenue  
20 Fund. Until January 1, 2000, all monies paid into the Horse  
21 Racing Tax Allocation Fund pursuant to this paragraph (11)  
22 by inter-track wagering location licensees located in park  
23 districts of 500,000 population or less, or in a  
24 municipality that is not included within any park district  
25 but is included within a conservation district and is the  
26 county seat of a county that (i) is contiguous to the state

1 of Indiana and (ii) has a 1990 population of 88,257  
2 according to the United States Bureau of the Census, and  
3 operating on May 1, 1994 shall be allocated by  
4 appropriation as follows:

5 Two-sevenths to the Department of Agriculture.  
6 Fifty percent of this two-sevenths shall be used to  
7 promote the Illinois horse racing and breeding  
8 industry, and shall be distributed by the Department of  
9 Agriculture upon the advice of a 9-member committee  
10 appointed by the Governor consisting of the following  
11 members: the Director of Agriculture, who shall serve  
12 as chairman; 2 representatives of organization  
13 licensees conducting thoroughbred race meetings in  
14 this State, recommended by those licensees; 2  
15 representatives of organization licensees conducting  
16 standardbred race meetings in this State, recommended  
17 by those licensees; a representative of the Illinois  
18 Thoroughbred Breeders and Owners Foundation,  
19 recommended by that Foundation; a representative of  
20 the Illinois Standardbred Owners and Breeders  
21 Association, recommended by that Association; a  
22 representative of the Horsemen's Benevolent and  
23 Protective Association or any successor organization  
24 thereto established in Illinois comprised of the  
25 largest number of owners and trainers, recommended by  
26 that Association or that successor organization; and a

1 representative of the Illinois Harness Horsemen's  
2 Association, recommended by that Association.  
3 Committee members shall serve for terms of 2 years,  
4 commencing January 1 of each even-numbered year. If a  
5 representative of any of the above-named entities has  
6 not been recommended by January 1 of any even-numbered  
7 year, the Governor shall appoint a committee member to  
8 fill that position. Committee members shall receive no  
9 compensation for their services as members but shall be  
10 reimbursed for all actual and necessary expenses and  
11 disbursements incurred in the performance of their  
12 official duties. The remaining 50% of this  
13 two-sevenths shall be distributed to county fairs for  
14 premiums and rehabilitation as set forth in the  
15 Agricultural Fair Act;

16 Four-sevenths to park districts or municipalities  
17 that do not have a park district of 500,000 population  
18 or less for museum purposes (if an inter-track wagering  
19 location licensee is located in such a park district)  
20 or to conservation districts for museum purposes (if an  
21 inter-track wagering location licensee is located in a  
22 municipality that is not included within any park  
23 district but is included within a conservation  
24 district and is the county seat of a county that (i) is  
25 contiguous to the state of Indiana and (ii) has a 1990  
26 population of 88,257 according to the United States

1 Bureau of the Census, except that if the conservation  
2 district does not maintain a museum, the monies shall  
3 be allocated equally between the county and the  
4 municipality in which the inter-track wagering  
5 location licensee is located for general purposes) or  
6 to a municipal recreation board for park purposes (if  
7 an inter-track wagering location licensee is located  
8 in a municipality that is not included within any park  
9 district and park maintenance is the function of the  
10 municipal recreation board and the municipality has a  
11 1990 population of 9,302 according to the United States  
12 Bureau of the Census); provided that the monies are  
13 distributed to each park district or conservation  
14 district or municipality that does not have a park  
15 district in an amount equal to four-sevenths of the  
16 amount collected by each inter-track wagering location  
17 licensee within the park district or conservation  
18 district or municipality for the Fund. Monies that were  
19 paid into the Horse Racing Tax Allocation Fund before  
20 the effective date of this amendatory Act of 1991 by an  
21 inter-track wagering location licensee located in a  
22 municipality that is not included within any park  
23 district but is included within a conservation  
24 district as provided in this paragraph shall, as soon  
25 as practicable after the effective date of this  
26 amendatory Act of 1991, be allocated and paid to that

1 conservation district as provided in this paragraph.  
2 Any park district or municipality not maintaining a  
3 museum may deposit the monies in the corporate fund of  
4 the park district or municipality where the  
5 inter-track wagering location is located, to be used  
6 for general purposes; and

7 One-seventh to the Agricultural Premium Fund to be  
8 used for distribution to agricultural home economics  
9 extension councils in accordance with "An Act in  
10 relation to additional support and finances for the  
11 Agricultural and Home Economic Extension Councils in  
12 the several counties of this State and making an  
13 appropriation therefor", approved July 24, 1967.

14 Until January 1, 2000, all other monies paid into the  
15 Horse Racing Tax Allocation Fund pursuant to this paragraph  
16 (11) shall be allocated by appropriation as follows:

17 Two-sevenths to the Department of Agriculture.  
18 Fifty percent of this two-sevenths shall be used to  
19 promote the Illinois horse racing and breeding  
20 industry, and shall be distributed by the Department of  
21 Agriculture upon the advice of a 9-member committee  
22 appointed by the Governor consisting of the following  
23 members: the Director of Agriculture, who shall serve  
24 as chairman; 2 representatives of organization  
25 licensees conducting thoroughbred race meetings in  
26 this State, recommended by those licensees; 2

1 representatives of organization licensees conducting  
2 standardbred race meetings in this State, recommended  
3 by those licensees; a representative of the Illinois  
4 Thoroughbred Breeders and Owners Foundation,  
5 recommended by that Foundation; a representative of  
6 the Illinois Standardbred Owners and Breeders  
7 Association, recommended by that Association; a  
8 representative of the Horsemen's Benevolent and  
9 Protective Association or any successor organization  
10 thereto established in Illinois comprised of the  
11 largest number of owners and trainers, recommended by  
12 that Association or that successor organization; and a  
13 representative of the Illinois Harness Horsemen's  
14 Association, recommended by that Association.  
15 Committee members shall serve for terms of 2 years,  
16 commencing January 1 of each even-numbered year. If a  
17 representative of any of the above-named entities has  
18 not been recommended by January 1 of any even-numbered  
19 year, the Governor shall appoint a committee member to  
20 fill that position. Committee members shall receive no  
21 compensation for their services as members but shall be  
22 reimbursed for all actual and necessary expenses and  
23 disbursements incurred in the performance of their  
24 official duties. The remaining 50% of this  
25 two-sevenths shall be distributed to county fairs for  
26 premiums and rehabilitation as set forth in the

1 Agricultural Fair Act;

2 Four-sevenths to museums and aquariums located in  
3 park districts of over 500,000 population; provided  
4 that the monies are distributed in accordance with the  
5 previous year's distribution of the maintenance tax  
6 for such museums and aquariums as provided in Section 2  
7 of the Park District Aquarium and Museum Act; and

8 One-seventh to the Agricultural Premium Fund to be  
9 used for distribution to agricultural home economics  
10 extension councils in accordance with "An Act in  
11 relation to additional support and finances for the  
12 Agricultural and Home Economic Extension Councils in  
13 the several counties of this State and making an  
14 appropriation therefor", approved July 24, 1967. This  
15 subparagraph (C) shall be inoperative and of no force  
16 and effect on and after January 1, 2000.

17 (D) Except as provided in paragraph (11) of this  
18 subsection (h), with respect to purse allocation from  
19 intertrack wagering, the monies so retained shall be  
20 divided as follows:

21 (i) If the inter-track wagering licensee,  
22 except an intertrack wagering licensee that  
23 derives its license from an organization licensee  
24 located in a county with a population in excess of  
25 230,000 and bounded by the Mississippi River, is  
26 not conducting its own race meeting during the same

1           dates, then the entire purse allocation shall be to  
2           purses at the track where the races wagered on are  
3           being conducted.

4           (ii) If the inter-track wagering licensee,  
5           except an intertrack wagering licensee that  
6           derives its license from an organization licensee  
7           located in a county with a population in excess of  
8           230,000 and bounded by the Mississippi River, is  
9           also conducting its own race meeting during the  
10          same dates, then the purse allocation shall be as  
11          follows: 50% to purses at the track where the races  
12          wagered on are being conducted; 50% to purses at  
13          the track where the inter-track wagering licensee  
14          is accepting such wagers.

15          (iii) If the inter-track wagering is being  
16          conducted by an inter-track wagering location  
17          licensee, except an intertrack wagering location  
18          licensee that derives its license from an  
19          organization licensee located in a county with a  
20          population in excess of 230,000 and bounded by the  
21          Mississippi River, the entire purse allocation for  
22          Illinois races shall be to purses at the track  
23          where the race meeting being wagered on is being  
24          held.

25          (12) The Board shall have all powers necessary and  
26          proper to fully supervise and control the conduct of

1 inter-track wagering and simulcast wagering by inter-track  
2 wagering licensees and inter-track wagering location  
3 licensees, including, but not limited to the following:

4 (A) The Board is vested with power to promulgate  
5 reasonable rules and regulations for the purpose of  
6 administering the conduct of this wagering and to  
7 prescribe reasonable rules, regulations and conditions  
8 under which such wagering shall be held and conducted.  
9 Such rules and regulations are to provide for the  
10 prevention of practices detrimental to the public  
11 interest and for the best interests of said wagering  
12 and to impose penalties for violations thereof.

13 (B) The Board, and any person or persons to whom it  
14 delegates this power, is vested with the power to enter  
15 the facilities of any licensee to determine whether  
16 there has been compliance with the provisions of this  
17 Act and the rules and regulations relating to the  
18 conduct of such wagering.

19 (C) The Board, and any person or persons to whom it  
20 delegates this power, may eject or exclude from any  
21 licensee's facilities, any person whose conduct or  
22 reputation is such that his presence on such premises  
23 may, in the opinion of the Board, call into the  
24 question the honesty and integrity of, or interfere  
25 with the orderly conduct of such wagering; provided,  
26 however, that no person shall be excluded or ejected

1 from such premises solely on the grounds of race,  
2 color, creed, national origin, ancestry, or sex.

3 (D) (Blank).

4 (E) The Board is vested with the power to appoint  
5 delegates to execute any of the powers granted to it  
6 under this Section for the purpose of administering  
7 this wagering and any rules and regulations  
8 promulgated in accordance with this Act.

9 (F) The Board shall name and appoint a State  
10 director of this wagering who shall be a representative  
11 of the Board and whose duty it shall be to supervise  
12 the conduct of inter-track wagering as may be provided  
13 for by the rules and regulations of the Board; such  
14 rules and regulation shall specify the method of  
15 appointment and the Director's powers, authority and  
16 duties.

17 (G) The Board is vested with the power to impose  
18 civil penalties of up to \$5,000 against individuals and  
19 up to \$10,000 against licensees for each violation of  
20 any provision of this Act relating to the conduct of  
21 this wagering, any rules adopted by the Board, any  
22 order of the Board or any other action which in the  
23 Board's discretion, is a detriment or impediment to  
24 such wagering.

25 (13) The Department of Agriculture may enter into  
26 agreements with licensees authorizing such licensees to

1           conduct inter-track wagering on races to be held at the  
2           licensed race meetings conducted by the Department of  
3           Agriculture. Such agreement shall specify the races of the  
4           Department of Agriculture's licensed race meeting upon  
5           which the licensees will conduct wagering. In the event  
6           that a licensee conducts inter-track pari-mutuel wagering  
7           on races from the Illinois State Fair or DuQuoin State Fair  
8           which are in addition to the licensee's previously approved  
9           racing program, those races shall be considered a separate  
10          racing day for the purpose of determining the daily handle  
11          and computing the privilege or pari-mutuel tax on that  
12          daily handle as provided in Sections 27 and 27.1. Such  
13          agreements shall be approved by the Board before such  
14          wagering may be conducted. In determining whether to grant  
15          approval, the Board shall give due consideration to the  
16          best interests of the public and of horse racing. The  
17          provisions of paragraphs (1), (8), (8.1), and (8.2) of  
18          subsection (h) of this Section which are not specified in  
19          this paragraph (13) shall not apply to licensed race  
20          meetings conducted by the Department of Agriculture at the  
21          Illinois State Fair in Sangamon County or the DuQuoin State  
22          Fair in Perry County, or to any wagering conducted on those  
23          race meetings.

24          (i) Notwithstanding the other provisions of this Act, the  
25          conduct of wagering at wagering facilities is authorized on all  
26          days, except as limited by subsection (b) of Section 19 of this

1 Act.

2 (Source: P.A. 91-40, eff. 6-25-99; 92-211, eff. 8-2-01.)

3 (230 ILCS 5/26.1) (from Ch. 8, par. 37-26.1)

4 Sec. 26.1. For all pari-mutuel wagering conducted pursuant  
5 to this Act, breakage shall be at all times computed on the  
6 basis of not to exceed 10¢ on the dollar. If there is a minus  
7 pool, the breakage shall be computed on the basis of not to  
8 exceed 5¢ on the dollar. Breakage shall be calculated only  
9 after the amounts retained by licensees pursuant to Sections 26  
10 and 26.2 of this Act, and all applicable surcharges, are taken  
11 out of winning wagers and winnings from wagers. ~~From Beginning~~  
12 January 1, 2000 until July 1, 2007, all breakage shall be  
13 retained by licensees, with 50% of breakage to be used by  
14 licensees for racetrack improvements at the racetrack from  
15 which the wagering facility derives its license. The remaining  
16 50% is to be allocated 50% to the purse account for the  
17 licensee from which the wagering facility derives its license  
18 and 50% to the licensee. Beginning July 1, 2007, all breakage  
19 shall be retained by licensees, with 50% of breakage to be used  
20 by licensees for racetrack improvements at the racetrack from  
21 which the wagering facility derives its license. The remaining  
22 50% is to be allocated to the purse account for the licensee  
23 from which the wagering facility derives its license.

24 (Source: P.A. 91-40, eff. 6-25-99.)

1 (230 ILCS 5/26.2) (from Ch. 8, par. 37-26.2)

2 Sec. 26.2. Multiple wager amounts; retention; allocation.

3 (a) In addition to the amount retained by licensees  
4 pursuant to Section 26, each licensee may retain an additional  
5 amount up to 3 1/2% of the amount wagered on all multiple  
6 wagers plus an additional amount up to 8% of the amount wagered  
7 on any other multiple wager that involves a single betting  
8 interest on 3 or more horses.

9 (b) Amounts retained by organization licensees and  
10 inter-track wagering licensees on all forms of wagering shall  
11 be allocated, after payment of applicable State and local taxes  
12 among organization licensees, inter-track wagering licensees,  
13 and purses as set forth in paragraph (5) of subsection (g) of  
14 Section 26, subparagraph (A) of paragraph (11) of subsection  
15 (h) of Section 26, and subsection (a) of Section 29 of this  
16 Act.

17 (c) Amounts retained by intertrack wagering location  
18 licensees under this Section on all forms of wagering shall be  
19 allocated, after payment of applicable State and local taxes,  
20 50% to purses and 50% among organization licensees and  
21 intertrack wagering location licensees, ~~and purses as set forth~~  
22 ~~in paragraph 5 of subsection (g) of Section 26 and subparagraph~~  
23 ~~(B) of paragraph (11) of subsection (h) of Section 26.~~

24 (Source: P.A. 89-16, eff. 5-30-95.)

25 (230 ILCS 5/27) (from Ch. 8, par. 37-27)

1           Sec. 27. (a) In addition to the organization license fee  
2 provided by this Act, until January 1, 2000, a graduated  
3 privilege tax is hereby imposed for conducting the pari-mutuel  
4 system of wagering permitted under this Act. Until January 1,  
5 2000, except as provided in subsection (g) of Section 27 of  
6 this Act, all of the breakage of each racing day held by any  
7 licensee in the State shall be paid to the State. Until January  
8 1, 2000, such daily graduated privilege tax shall be paid by  
9 the licensee from the amount permitted to be retained under  
10 this Act. Until January 1, 2000, each day's graduated privilege  
11 tax, breakage, and Horse Racing Tax Allocation funds shall be  
12 remitted to the Department of Revenue within 48 hours after the  
13 close of the racing day upon which it is assessed or within  
14 such other time as the Board prescribes. The privilege tax  
15 hereby imposed, until January 1, 2000, shall be a flat tax at  
16 the rate of 2% of the daily pari-mutuel handle except as  
17 provided in Section 27.1.

18           In addition, every organization licensee, except as  
19 provided in Section 27.1 of this Act, which conducts multiple  
20 wagering shall pay, until January 1, 2000, as a privilege tax  
21 on multiple wagers an amount equal to 1.25% of all moneys  
22 wagered each day on such multiple wagers, plus an additional  
23 amount equal to 3.5% of the amount wagered each day on any  
24 other multiple wager which involves a single betting interest  
25 on 3 or more horses. The licensee shall remit the amount of  
26 such taxes to the Department of Revenue within 48 hours after

1 the close of the racing day on which it is assessed or within  
2 such other time as the Board prescribes.

3 This subsection (a) shall be inoperative and of no force  
4 and effect on and after January 1, 2000.

5 (a-5) Beginning on January 1, 2000, a flat pari-mutuel tax  
6 at the rate of 1.5% of the daily pari-mutuel handle is imposed  
7 at all pari-mutuel wagering facilities, except as otherwise  
8 provided for in this subsection (a-5). Beginning on the  
9 effective date of this amendatory Act of the 94th General  
10 Assembly and until moneys deposited pursuant to Section 54 are  
11 distributed and received, a pari-mutuel tax at the rate of  
12 0.25% of the daily pari-mutuel handle is imposed at a  
13 pari-mutuel facility whose license is derived from a track  
14 located in a county that borders the Mississippi River and  
15 conducted live racing in the previous year. After moneys  
16 deposited pursuant to Section 54 are distributed and received,  
17 a pari-mutuel tax at the rate of 1.5% of the daily pari-mutuel  
18 handle is imposed at a pari-mutuel facility whose license is  
19 derived from a track located in a county that borders the  
20 Mississippi River and conducted live racing in the previous  
21 year. The pari-mutuel tax imposed by this subsection (a-5)  
22 shall be remitted to the Department of Revenue within 48 hours  
23 after the close of the racing day upon which it is assessed or  
24 within such other time as the Board prescribes.

25 (b) On or before December 31, 1999, in the event that any  
26 organization licensee conducts 2 separate programs of races on

1 any day, each such program shall be considered a separate  
2 racing day for purposes of determining the daily handle and  
3 computing the privilege tax on such daily handle as provided in  
4 subsection (a) of this Section.

5 (c) Licensees shall at all times keep accurate books and  
6 records of all monies wagered on each day of a race meeting and  
7 of the taxes paid to the Department of Revenue under the  
8 provisions of this Section. The Board or its duly authorized  
9 representative or representatives shall at all reasonable  
10 times have access to such records for the purpose of examining  
11 and checking the same and ascertaining whether the proper  
12 amount of taxes is being paid as provided. The Board shall  
13 require verified reports and a statement of the total of all  
14 monies wagered daily at each wagering facility upon which the  
15 taxes are assessed and may prescribe forms upon which such  
16 reports and statement shall be made.

17 (d) Any licensee failing or refusing to pay the amount of  
18 any tax due under this Section shall be guilty of a business  
19 offense and upon conviction shall be fined not more than \$5,000  
20 in addition to the amount found due as tax under this Section.  
21 Each day's violation shall constitute a separate offense. All  
22 fines paid into Court by a licensee hereunder shall be  
23 transmitted and paid over by the Clerk of the Court to the  
24 Board.

25 (e) No other license fee, privilege tax, excise tax, or  
26 racing fee, except as provided in this Act, shall be assessed

1 or collected from any such licensee by the State.

2 (f) No other license fee, privilege tax, excise tax or  
3 racing fee shall be assessed or collected from any such  
4 licensee by units of local government except as provided in  
5 paragraph 10.1 of subsection (h) and subsection (f) of Section  
6 26 of this Act. However, any municipality that has a Board  
7 licensed horse race meeting at a race track wholly within its  
8 corporate boundaries or a township that has a Board licensed  
9 horse race meeting at a race track wholly within the  
10 unincorporated area of the township may charge a local  
11 amusement tax not to exceed 10¢ per admission to such horse  
12 race meeting by the enactment of an ordinance. However, any  
13 municipality or county that has a Board licensed inter-track  
14 wagering location facility wholly within its corporate  
15 boundaries may each impose an admission fee not to exceed \$1.00  
16 per admission to such inter-track wagering location facility,  
17 so that a total of not more than \$2.00 per admission may be  
18 imposed. Except as provided in subparagraph (g) of Section 27  
19 of this Act, the inter-track wagering location licensee shall  
20 collect any and all such fees and within 48 hours remit the  
21 fees to the Board, which shall, pursuant to rule, cause the  
22 fees to be distributed to the county or municipality.

23 (g) Notwithstanding any provision in this Act to the  
24 contrary, if in any calendar year the total taxes and fees from  
25 wagering on live racing and from inter-track wagering required  
26 to be collected from licensees and distributed under this Act

1 to all State and local governmental authorities exceeds the  
2 amount of such taxes and fees distributed to each State and  
3 local governmental authority to which each State and local  
4 governmental authority was entitled under this Act for calendar  
5 year 1994, then the first \$11 million of that excess amount  
6 shall be allocated at the earliest possible date for  
7 distribution as purse money for the succeeding calendar year.  
8 Upon reaching the 1994 level, and until the excess amount of  
9 taxes and fees exceeds \$11 million, the Board shall direct all  
10 licensees to cease paying the subject taxes and fees and the  
11 Board shall direct all licensees to allocate any such excess  
12 amount for purses as follows:

13 (i) the excess amount shall be initially divided  
14 between thoroughbred and standardbred purses based on the  
15 thoroughbred's and standardbred's respective percentages  
16 of total Illinois live wagering in calendar year 1994;

17 (ii) each thoroughbred and standardbred organization  
18 licensee issued an organization licensee in that  
19 succeeding allocation year shall be allocated an amount  
20 equal to the product of its percentage of total Illinois  
21 live thoroughbred or standardbred wagering in calendar  
22 year 1994 (the total to be determined based on the sum of  
23 1994 on-track wagering for all organization licensees  
24 issued organization licenses in both the allocation year  
25 and the preceding year) multiplied by the total amount  
26 allocated for standardbred or thoroughbred purses,

1 provided that the first \$1,500,000 of the amount allocated  
2 to standardbred purses under item (i) shall be allocated to  
3 the Department of Agriculture to be expended with the  
4 assistance and advice of the Illinois Standardbred  
5 Breeders Funds Advisory Board for the purposes listed in  
6 subsection (g) of Section 31 of this Act, before the amount  
7 allocated to standardbred purses under item (i) is  
8 allocated to standardbred organization licensees in the  
9 succeeding allocation year.

10 To the extent the excess amount of taxes and fees to be  
11 collected and distributed to State and local governmental  
12 authorities exceeds \$11 million, that excess amount shall be  
13 collected and distributed to State and local authorities as  
14 provided for under this Act.

15 (Source: P.A. 94-805, eff. 5-26-06.)

16 (230 ILCS 5/30) (from Ch. 8, par. 37-30)

17 Sec. 30. (a) The General Assembly declares that it is the  
18 policy of this State to encourage the breeding of thoroughbred  
19 horses in this State and the ownership of such horses by  
20 residents of this State in order to provide for: sufficient  
21 numbers of high quality thoroughbred horses to participate in  
22 thoroughbred racing meetings in this State, and to establish  
23 and preserve the agricultural and commercial benefits of such  
24 breeding and racing industries to the State of Illinois. It is  
25 the intent of the General Assembly to further this policy by

1 the provisions of this Act.

2 (b) Each organization licensee conducting a thoroughbred  
3 racing meeting pursuant to this Act shall provide at least two  
4 races each day limited to Illinois conceived and foaled horses  
5 or Illinois foaled horses or both. A minimum of 6 races shall  
6 be conducted each week limited to Illinois conceived and foaled  
7 or Illinois foaled horses or both. No horses shall be permitted  
8 to start in such races unless duly registered under the rules  
9 of the Department of Agriculture.

10 (c) Conditions of races under subsection (b) shall be  
11 commensurate with past performance, quality, and class of  
12 Illinois conceived and foaled and Illinois foaled horses  
13 available. If, however, sufficient competition cannot be had  
14 among horses of that class on any day, the races may, with  
15 consent of the Board, be eliminated for that day and substitute  
16 races provided.

17 (d) There is hereby created a special fund of the State  
18 Treasury to be known as the Illinois Thoroughbred Breeders  
19 Fund.

20 Except as provided in subsection (g) of Section 27 of this  
21 Act, 8.5% of all the monies received by the State as privilege  
22 taxes on Thoroughbred racing meetings shall be paid into the  
23 Illinois Thoroughbred Breeders Fund.

24 (e) The Illinois Thoroughbred Breeders Fund shall be  
25 administered by the Department of Agriculture with the advice  
26 and assistance of the Advisory Board created in subsection (f)

1 of this Section.

2 (f) The Illinois Thoroughbred Breeders Fund Advisory Board  
3 shall consist of the Director of the Department of Agriculture,  
4 who shall serve as Chairman; a member of the Illinois Racing  
5 Board, designated by it; 2 representatives of the organization  
6 licensees conducting thoroughbred racing meetings, recommended  
7 by them; 2 representatives of the Illinois Thoroughbred  
8 Breeders and Owners Foundation, recommended by it; and 2  
9 representatives of the Horsemen's Benevolent Protective  
10 Association or any successor organization established in  
11 Illinois comprised of the largest number of owners and  
12 trainers, recommended by it, with one representative of the  
13 Horsemen's Benevolent and Protective Association to come from  
14 its Illinois Division, and one from its Chicago Division.  
15 Advisory Board members shall serve for 2 years commencing  
16 January 1 of each odd numbered year. If representatives of the  
17 organization licensees conducting thoroughbred racing  
18 meetings, the Illinois Thoroughbred Breeders and Owners  
19 Foundation, and the Horsemen's Benevolent Protection  
20 Association have not been recommended by January 1, of each odd  
21 numbered year, the Director of the Department of Agriculture  
22 shall make an appointment for the organization failing to so  
23 recommend a member of the Advisory Board. Advisory Board  
24 members shall receive no compensation for their services as  
25 members but shall be reimbursed for all actual and necessary  
26 expenses and disbursements incurred in the execution of their

1 official duties.

2 (g) Moneys ~~No monies~~ shall be expended from the Illinois  
3 Thoroughbred Breeders Fund ~~except~~ as appropriated by the  
4 General Assembly pursuant to this Act, the Riverboat Gambling  
5 Act, or both. Monies appropriated from the Illinois  
6 Thoroughbred Breeders Fund shall be expended by the Department  
7 of Agriculture, with the advice and assistance of the Illinois  
8 Thoroughbred Breeders Fund Advisory Board, for the following  
9 purposes only:

10 (1) To provide purse supplements to owners of horses  
11 participating in races limited to Illinois conceived and  
12 foaled and Illinois foaled horses. Any such purse  
13 supplements shall not be included in and shall be paid in  
14 addition to any purses, stakes, or breeders' awards offered  
15 by each organization licensee as determined by agreement  
16 between such organization licensee and an organization  
17 representing the horsemen. No monies from the Illinois  
18 Thoroughbred Breeders Fund shall be used to provide purse  
19 supplements for claiming races in which the minimum  
20 claiming price is less than \$7,500.

21 (2) To provide stakes and awards to be paid to the  
22 owners of the winning horses in certain races limited to  
23 Illinois conceived and foaled and Illinois foaled horses  
24 designated as stakes races.

25 (2.5) To provide an award to the owner or owners of an  
26 Illinois conceived and foaled or Illinois foaled horse that

1 wins a maiden special weight, an allowance, overnight  
2 handicap race, or claiming race with claiming price of  
3 \$10,000 or more providing the race is not restricted to  
4 Illinois conceived and foaled or Illinois foaled horses.  
5 Awards shall also be provided to the owner or owners of  
6 Illinois conceived and foaled and Illinois foaled horses  
7 that place second or third in those races. To the extent  
8 that additional moneys are required to pay the minimum  
9 additional awards of 40% of the purse the horse earns for  
10 placing first, second or third in those races for Illinois  
11 foaled horses and of 60% of the purse the horse earns for  
12 placing first, second or third in those races for Illinois  
13 conceived and foaled horses, those moneys shall be provided  
14 from the purse account at the track where earned.

15 (3) To provide stallion awards to the owner or owners  
16 of any stallion that is duly registered with the Illinois  
17 Thoroughbred Breeders Fund Program ~~prior to the effective~~  
18 ~~date of this amendatory Act of 1995~~ whose duly registered  
19 Illinois conceived and foaled offspring wins a race  
20 conducted at an Illinois thoroughbred racing meeting other  
21 than a claiming race, provided (i) that the stallion stood  
22 for service within Illinois at the time the offspring was  
23 conceived and (ii) that the stallion did not stand for  
24 service outside of Illinois at any time during the year in  
25 which the offspring was conceived. ~~Such award shall not be~~  
26 ~~paid to the owner or owners of an Illinois stallion that~~

1 ~~served outside this State at any time during the calendar~~  
2 ~~year in which such race was conducted.~~

3 (4) To provide \$75,000 annually for purses to be  
4 distributed to county fairs that provide for the running of  
5 races during each county fair exclusively for the  
6 thoroughbreds conceived and foaled in Illinois. The  
7 conditions of the races shall be developed by the county  
8 fair association and reviewed by the Department with the  
9 advice and assistance of the Illinois Thoroughbred  
10 Breeders Fund Advisory Board. There shall be no wagering of  
11 any kind on the running of Illinois conceived and foaled  
12 races at county fairs.

13 (4.1) (Blank). ~~To provide purse money for an Illinois~~  
14 ~~stallion stakes program.~~

15 (5) No less than 80% of all monies appropriated to ~~from~~  
16 the Illinois Thoroughbred Breeders Fund shall be expended  
17 for the purposes in (1), (2), (2.5), (3), (4), (4.1), and  
18 (5) as shown above.

19 (6) To provide for educational programs regarding the  
20 thoroughbred breeding industry.

21 (7) To provide for research programs concerning the  
22 health, development and care of the thoroughbred horse.

23 (8) To provide for a scholarship and training program  
24 for students of equine veterinary medicine.

25 (9) To provide for dissemination of public information  
26 designed to promote the breeding of thoroughbred horses in

1 Illinois.

2 (10) To provide for all expenses incurred in the  
3 administration of the Illinois Thoroughbred Breeders Fund.

4 (h) (Blank). ~~Whenever the Governor finds that the amount in~~  
5 ~~the Illinois Thoroughbred Breeders Fund is more than the total~~  
6 ~~of the outstanding appropriations from such fund, the Governor~~  
7 ~~shall notify the State Comptroller and the State Treasurer of~~  
8 ~~such fact. The Comptroller and the State Treasurer, upon~~  
9 ~~receipt of such notification, shall transfer such excess amount~~  
10 ~~from the Illinois Thoroughbred Breeders Fund to the General~~  
11 ~~Revenue Fund.~~

12 (i) A sum equal to 12 1/2% of the first prize money of  
13 every purse won by an Illinois foaled or an Illinois conceived  
14 and foaled horse in races not limited to Illinois foaled horses  
15 or Illinois conceived and foaled horses, or both, shall be paid  
16 by the organization licensee conducting the horse race meeting.  
17 Such sum shall be paid from the organization licensee's share  
18 of the money wagered as follows: 11 1/2% to the breeder of the  
19 winning horse and 1% to the organization representing  
20 thoroughbred breeders and owners whose representative serves  
21 on the Illinois Thoroughbred Breeders Fund Advisory Board for  
22 verifying the amounts of breeders' awards earned, assuring  
23 their distribution in accordance with this Act, and servicing  
24 and promoting the Illinois thoroughbred horse racing industry.  
25 The organization representing thoroughbred breeders and owners  
26 shall cause all expenditures of monies received under this

1 subsection (i) to be audited at least annually by a registered  
2 public accountant. The organization shall file copies of each  
3 annual audit with the Racing Board, the Clerk of the House of  
4 Representatives and the Secretary of the Senate, and shall make  
5 copies of each annual audit available to the public upon  
6 request and upon payment of the reasonable cost of photocopying  
7 the requested number of copies. Such payments shall not reduce  
8 any award to the owner of the horse or reduce the taxes payable  
9 under this Act. Upon completion of its racing meet, each  
10 organization licensee shall deliver to the organization  
11 representing thoroughbred breeders and owners whose  
12 representative serves on the Illinois Thoroughbred Breeders  
13 Fund Advisory Board a listing of all the Illinois foaled and  
14 the Illinois conceived and foaled horses which won breeders'  
15 awards and the amount of such breeders' awards under this  
16 subsection to verify accuracy of payments and assure proper  
17 distribution of breeders' awards in accordance with the  
18 provisions of this Act. Such payments shall be delivered by the  
19 organization licensee within 30 days of the end of each race  
20 meeting.

21 (j) A sum equal to 12 1/2% of the first prize money won in  
22 each race limited to Illinois foaled horses or Illinois  
23 conceived and foaled horses, or both, shall be paid in the  
24 following manner by the organization licensee conducting the  
25 horse race meeting, from the organization licensee's share of  
26 the money wagered: 11 1/2% to the breeders of the horses in

1 each such race which are the official first, second, third and  
2 fourth finishers and 1% to the organization representing  
3 thoroughbred breeders and owners whose representative serves  
4 on the Illinois Thoroughbred Breeders Fund Advisory Board for  
5 verifying the amounts of breeders' awards earned, assuring  
6 their proper distribution in accordance with this Act, and  
7 servicing and promoting the Illinois thoroughbred horse racing  
8 industry. The organization representing thoroughbred breeders  
9 and owners shall cause all expenditures of monies received  
10 under this subsection (j) to be audited at least annually by a  
11 registered public accountant. The organization shall file  
12 copies of each annual audit with the Racing Board, the Clerk of  
13 the House of Representatives and the Secretary of the Senate,  
14 and shall make copies of each annual audit available to the  
15 public upon request and upon payment of the reasonable cost of  
16 photocopying the requested number of copies.

17 The 11 1/2% paid to the breeders in accordance with this  
18 subsection shall be distributed as follows:

19 (1) 60% of such sum shall be paid to the breeder of the  
20 horse which finishes in the official first position;

21 (2) 20% of such sum shall be paid to the breeder of the  
22 horse which finishes in the official second position;

23 (3) 15% of such sum shall be paid to the breeder of the  
24 horse which finishes in the official third position; and

25 (4) 5% of such sum shall be paid to the breeder of the  
26 horse which finishes in the official fourth position.

1           Such payments shall not reduce any award to the owners of a  
2 horse or reduce the taxes payable under this Act. Upon  
3 completion of its racing meet, each organization licensee shall  
4 deliver to the organization representing thoroughbred breeders  
5 and owners whose representative serves on the Illinois  
6 Thoroughbred Breeders Fund Advisory Board a listing of all the  
7 Illinois foaled and the Illinois conceived and foaled horses  
8 which won breeders' awards and the amount of such breeders'  
9 awards in accordance with the provisions of this Act. Such  
10 payments shall be delivered by the organization licensee within  
11 30 days of the end of each race meeting.

12           (k) The term "breeder", as used herein, means the owner of  
13 the mare at the time the foal is dropped. An "Illinois foaled  
14 horse" is a foal dropped by a mare which enters this State on  
15 or before December 1, in the year in which the horse is bred,  
16 provided the mare remains continuously in this State until its  
17 foal is born. An "Illinois foaled horse" also means a foal born  
18 of a mare in the same year as the mare enters this State on or  
19 before March 1, and remains in this State at least 30 days  
20 after foaling, is bred back during the season of the foaling to  
21 an Illinois Registered Stallion (unless a veterinarian  
22 certifies that the mare should not be bred for health reasons),  
23 and is not bred to a stallion standing in any other state  
24 during the season of foaling. An "Illinois foaled horse" also  
25 means a foal born in Illinois of a mare purchased at public  
26 auction subsequent to the mare entering this State prior to

1 March 1 ~~February 1~~ of the foaling year providing the mare is  
2 owned solely by one or more Illinois residents or an Illinois  
3 entity that is entirely owned by one or more Illinois  
4 residents.

5 (1) The Department of Agriculture shall, by rule, with the  
6 advice and assistance of the Illinois Thoroughbred Breeders  
7 Fund Advisory Board:

8 (1) Qualify stallions for Illinois breeding; such  
9 stallions to stand for service within the State of Illinois  
10 at the time of a foal's conception. Such stallion must not  
11 stand for service at any place outside the State of  
12 Illinois during the calendar year in which the foal is  
13 conceived. The Department of Agriculture may assess and  
14 collect an application fee of \$500 ~~fees~~ for the  
15 registration of each Illinois-eligible stallion ~~stallions~~.  
16 All fees collected are to be paid into the Illinois  
17 Thoroughbred Breeders Fund and used by the Illinois  
18 Thoroughbred Breeders Fund Advisory Board for stallion  
19 awards.

20 (2) Provide for the registration of Illinois conceived  
21 and foaled horses and Illinois foaled horses. No such horse  
22 shall compete in the races limited to Illinois conceived  
23 and foaled horses or Illinois foaled horses or both unless  
24 registered with the Department of Agriculture. The  
25 Department of Agriculture may prescribe such forms as are  
26 necessary to determine the eligibility of such horses. The

1 Department of Agriculture may assess and collect  
2 application fees for the registration of Illinois-eligible  
3 foals. All fees collected are to be paid into the Illinois  
4 Thoroughbred Breeders Fund. No person shall knowingly  
5 prepare or cause preparation of an application for  
6 registration of such foals containing false information.

7 (m) The Department of Agriculture, with the advice and  
8 assistance of the Illinois Thoroughbred Breeders Fund Advisory  
9 Board, shall provide that certain races limited to Illinois  
10 conceived and foaled and Illinois foaled horses be stakes races  
11 and determine the total amount of stakes and awards to be paid  
12 to the owners of the winning horses in such races.

13 In determining the stakes races and the amount of awards  
14 for such races, the Department of Agriculture shall consider  
15 factors, including but not limited to, the amount of money  
16 appropriated for the Illinois Thoroughbred Breeders Fund  
17 program, organization licensees' contributions, availability  
18 of stakes caliber horses as demonstrated by past performances,  
19 whether the race can be coordinated into the proposed racing  
20 dates within organization licensees' racing dates, opportunity  
21 for colts and fillies and various age groups to race, public  
22 wagering on such races, and the previous racing schedule.

23 (n) The Board and the organizational licensee shall notify  
24 the Department of the conditions and minimum purses for races  
25 limited to Illinois conceived and foaled and Illinois foaled  
26 horses conducted for each organizational licensee conducting a

1 thoroughbred racing meeting. The Department of Agriculture  
2 with the advice and assistance of the Illinois Thoroughbred  
3 Breeders Fund Advisory Board may allocate monies for purse  
4 supplements for such races. In determining whether to allocate  
5 money and the amount, the Department of Agriculture shall  
6 consider factors, including but not limited to, the amount of  
7 money appropriated for the Illinois Thoroughbred Breeders Fund  
8 program, the number of races that may occur, and the  
9 organizational licensee's purse structure.

10 (o) (Blank). ~~In order to improve the breeding quality of~~  
11 ~~thoroughbred horses in the State, the General Assembly~~  
12 ~~recognizes that existing provisions of this Section to~~  
13 ~~encourage such quality breeding need to be revised and~~  
14 ~~strengthened. As such, a Thoroughbred Breeder's Program Task~~  
15 ~~Force is to be appointed by the Governor by September 1, 1999~~  
16 ~~to make recommendations to the General Assembly by no later~~  
17 ~~than March 1, 2000. This task force is to be composed of 2~~  
18 ~~representatives from the Illinois Thoroughbred Breeders and~~  
19 ~~Owners Foundation, 2 from the Illinois Thoroughbred Horsemen's~~  
20 ~~Association, 3 from Illinois race tracks operating~~  
21 ~~thoroughbred race meets for an average of at least 30 days in~~  
22 ~~the past 3 years, the Director of Agriculture, the Executive~~  
23 ~~Director of the Racing Board, who shall serve as Chairman.~~

24 (Source: P.A. 91-40, eff. 6-25-99.)

25 (230 ILCS 5/31) (from Ch. 8, par. 37-31)

1           Sec. 31. (a) The General Assembly declares that it is the  
2 policy of this State to encourage the breeding of standardbred  
3 horses in this State and the ownership of such horses by  
4 residents of this State in order to provide for: sufficient  
5 numbers of high quality standardbred horses to participate in  
6 harness racing meetings in this State, and to establish and  
7 preserve the agricultural and commercial benefits of such  
8 breeding and racing industries to the State of Illinois. It is  
9 the intent of the General Assembly to further this policy by  
10 the provisions of this Section of this Act.

11           (b) Each organization licensee conducting a harness racing  
12 meeting pursuant to this Act shall provide for at least two  
13 races each race program limited to Illinois conceived and  
14 foaled horses. A minimum of 6 races shall be conducted each  
15 week limited to Illinois conceived and foaled horses. No horses  
16 shall be permitted to start in such races unless duly  
17 registered under the rules of the Department of Agriculture.

18           (b-5) Each organization licensee conducting a harness  
19 racing meeting pursuant to this Act after the licensee begins  
20 conducting electronic gaming pursuant to an electronic gaming  
21 license issued under Section 7.6 of the Riverboat Gambling Act  
22 shall provide stakes races and early closer races for Illinois  
23 conceived and foaled horses so the total purses distributed for  
24 such races shall be no less than 17% of the total purses  
25 distributed at the meeting.

26           (b-10) Each organization licensee conducting a harness

1 racine meeting pursuant to this Act after the licensee begins  
2 conducting electronic gaming pursuant to an electronic gaming  
3 license issued under Section 7.6 of the Riverboat Gambling Act  
4 shall provide an owner award to be paid by the organization  
5 licensee equal to 25% of the amount earned by Illinois  
6 conceived and foaled horses in races that are not restricted to  
7 Illinois conceived and foaled horses.

8 (c) Conditions of races under subsection (b) shall be  
9 commensurate with past performance, quality and class of  
10 Illinois conceived and foaled horses available. If, however,  
11 sufficient competition cannot be had among horses of that class  
12 on any day, the races may, with consent of the Board, be  
13 eliminated for that day and substitute races provided.

14 (d) There is hereby created a special fund of the State  
15 Treasury to be known as the Illinois Standardbred Breeders  
16 Fund.

17 During the calendar year 1981, and each year thereafter,  
18 except as provided in subsection (g) of Section 27 of this Act,  
19 eight and one-half per cent of all the monies received by the  
20 State as privilege taxes on harness racing meetings shall be  
21 paid into the Illinois Standardbred Breeders Fund.

22 (e) The Illinois Standardbred Breeders Fund shall be  
23 administered by the Department of Agriculture with the  
24 assistance and advice of the Advisory Board created in  
25 subsection (f) of this Section.

26 (f) The Illinois Standardbred Breeders Fund Advisory Board

1 is hereby created. The Advisory Board shall consist of the  
2 Director of the Department of Agriculture, who shall serve as  
3 Chairman; the Superintendent of the Illinois State Fair; a  
4 member of the Illinois Racing Board, designated by it; a  
5 representative of the Illinois Standardbred Owners and  
6 Breeders Association, recommended by it; a representative of  
7 the Illinois Association of Agricultural Fairs, recommended by  
8 it, such representative to be from a fair at which Illinois  
9 conceived and foaled racing is conducted; a representative of  
10 the organization licensees conducting harness racing meetings,  
11 recommended by them and a representative of the Illinois  
12 Harness Horsemen's Association, recommended by it. Advisory  
13 Board members shall serve for 2 years commencing January 1, of  
14 each odd numbered year. If representatives of the Illinois  
15 Standardbred Owners and Breeders Associations, the Illinois  
16 Association of Agricultural Fairs, the Illinois Harness  
17 Horsemen's Association, and the organization licensees  
18 conducting harness racing meetings have not been recommended by  
19 January 1, of each odd numbered year, the Director of the  
20 Department of Agriculture shall make an appointment for the  
21 organization failing to so recommend a member of the Advisory  
22 Board. Advisory Board members shall receive no compensation for  
23 their services as members but shall be reimbursed for all  
24 actual and necessary expenses and disbursements incurred in the  
25 execution of their official duties.

26 (g) No monies shall be expended from the Illinois

1 Standardbred Breeders Fund except as appropriated by the  
2 General Assembly. Monies appropriated from the Illinois  
3 Standardbred Breeders Fund shall be expended by the Department  
4 of Agriculture, with the assistance and advice of the Illinois  
5 Standardbred Breeders Fund Advisory Board for the following  
6 purposes only:

7 1. To provide purses for races limited to Illinois  
8 conceived and foaled horses at the State Fair and the  
9 DuQuoin State Fair.

10 2. To provide purses for races limited to Illinois  
11 conceived and foaled horses at county fairs.

12 3. To provide purse supplements for races limited to  
13 Illinois conceived and foaled horses conducted by  
14 associations conducting harness racing meetings.

15 4. No less than 75% of all monies in the Illinois  
16 Standardbred Breeders Fund shall be expended for purses in  
17 1, 2 and 3 as shown above.

18 5. In the discretion of the Department of Agriculture  
19 to provide awards to harness breeders of Illinois conceived  
20 and foaled horses which win races conducted by organization  
21 licensees conducting harness racing meetings. A breeder is  
22 the owner of a mare at the time of conception. No more than  
23 10% of all monies appropriated from the Illinois  
24 Standardbred Breeders Fund shall be expended for such  
25 harness breeders awards. No more than 25% of the amount  
26 expended for harness breeders awards shall be expended for

1 expenses incurred in the administration of such harness  
2 breeders awards.

3 6. To pay for the improvement of racing facilities  
4 located at the State Fair and County fairs.

5 7. To pay the expenses incurred in the administration  
6 of the Illinois Standardbred Breeders Fund.

7 8. To promote the sport of harness racing, including  
8 grants up to a maximum of \$7,500 per fair per year for the  
9 cost of a totalizer system to be used for conducting  
10 pari-mutuel wagering during the advertised dates of a  
11 county fair.

12 (h) Whenever the Governor finds that the amount in the  
13 Illinois Standardbred Breeders Fund is more than the total of  
14 the outstanding appropriations from such fund, the Governor  
15 shall notify the State Comptroller and the State Treasurer of  
16 such fact. The Comptroller and the State Treasurer, upon  
17 receipt of such notification, shall transfer such excess amount  
18 from the Illinois Standardbred Breeders Fund to the General  
19 Revenue Fund.

20 (i) A sum equal to 12 1/2% of the first prize money of  
21 every purse won by an Illinois conceived and foaled horse shall  
22 be paid by the organization licensee conducting the horse race  
23 meeting to the breeder of such winning horse from the  
24 organization licensee's share of the money wagered. Such  
25 payment shall not reduce any award to the owner of the horse or  
26 reduce the taxes payable under this Act. Such payment shall be

1 delivered by the organization licensee at the end of each month  
2 ~~race meeting~~.

3 (j) The Department of Agriculture shall, by rule, with the  
4 assistance and advice of the Illinois Standardbred Breeders  
5 Fund Advisory Board:

6 1. Qualify stallions for Illinois Standardbred Breeders  
7 Fund breeding; such stallion shall be owned by a resident of  
8 the State of Illinois or by an Illinois corporation all of  
9 whose shareholders, directors, officers and incorporators are  
10 residents of the State of Illinois. Such stallion shall stand  
11 for service at and within the State of Illinois at the time of  
12 a foal's conception, and such stallion must not stand for  
13 service at any place, ~~nor may semen from such stallion be~~  
14 ~~transported,~~ outside the State of Illinois during that calendar  
15 year in which the foal is conceived and that the owner of the  
16 stallion was for the 12 months prior, a resident of Illinois.  
17 The articles of agreement of any partnership, joint venture,  
18 limited partnership, syndicate, association or corporation and  
19 any bylaws and stock certificates must contain a restriction  
20 that provides that the ownership or transfer of interest by any  
21 one of the persons a party to the agreement can only be made to  
22 a person who qualifies as an Illinois resident. Foals conceived  
23 outside the State of Illinois from shipped semen from a  
24 stallion qualified for breeders' awards under this Section are  
25 not eligible to participate in the Illinois conceived and  
26 foaled program.

1           2. Provide for the registration of Illinois conceived and  
2 foaled horses and no such horse shall compete in the races  
3 limited to Illinois conceived and foaled horses unless  
4 registered with the Department of Agriculture. The Department  
5 of Agriculture may prescribe such forms as may be necessary to  
6 determine the eligibility of such horses. No person shall  
7 knowingly prepare or cause preparation of an application for  
8 registration of such foals containing false information. A mare  
9 (dam) must be in the state at least 30 days prior to foaling or  
10 remain in the State at least 30 days at the time of foaling.  
11 Beginning with the 1996 breeding season and for foals of 1997  
12 and thereafter, a foal conceived in the State of Illinois by  
13 transported fresh semen may be eligible for Illinois conceived  
14 and foaled registration provided all breeding and foaling  
15 requirements are met. The stallion must be qualified for  
16 Illinois Standardbred Breeders Fund breeding at the time of  
17 conception and the mare must be inseminated within the State of  
18 Illinois. The foal must be dropped in Illinois and properly  
19 registered with the Department of Agriculture in accordance  
20 with this Act.

21           3. Provide that at least a 5 day racing program shall be  
22 conducted at the State Fair each year, which program shall  
23 include at least the following races limited to Illinois  
24 conceived and foaled horses: (a) a two year old Trot and Pace,  
25 and Filly Division of each; (b) a three year old Trot and Pace,  
26 and Filly Division of each; (c) an aged Trot and Pace, and Mare

1 Division of each.

2 4. Provide for the payment of nominating, sustaining and  
3 starting fees for races promoting the sport of harness racing  
4 and for the races to be conducted at the State Fair as provided  
5 in subsection (j) 3 of this Section provided that the  
6 nominating, sustaining and starting payment required from an  
7 entrant shall not exceed 2% of the purse of such race. All  
8 nominating, sustaining and starting payments shall be held for  
9 the benefit of entrants and shall be paid out as part of the  
10 respective purses for such races. Nominating, sustaining and  
11 starting fees shall be held in trust accounts for the purposes  
12 as set forth in this Act and in accordance with Section 205-15  
13 of the Department of Agriculture Law (20 ILCS 205/205-15).

14 5. Provide for the registration with the Department of  
15 Agriculture of Colt Associations or county fairs desiring to  
16 sponsor races at county fairs.

17 (k) The Department of Agriculture, with the advice and  
18 assistance of the Illinois Standardbred Breeders Fund Advisory  
19 Board, may allocate monies for purse supplements for such  
20 races. In determining whether to allocate money and the amount,  
21 the Department of Agriculture shall consider factors,  
22 including but not limited to, the amount of money appropriated  
23 for the Illinois Standardbred Breeders Fund program, the number  
24 of races that may occur, and an organizational licensee's purse  
25 structure. The organizational licensee shall notify the  
26 Department of Agriculture of the conditions and minimum purses

1 for races limited to Illinois conceived and foaled horses to be  
2 conducted by each organizational licensee conducting a harness  
3 racing meeting for which purse supplements have been  
4 negotiated.

5 (l) All races held at county fairs and the State Fair which  
6 receive funds from the Illinois Standardbred Breeders Fund  
7 shall be conducted in accordance with the rules of the United  
8 States Trotting Association unless otherwise modified by the  
9 Department of Agriculture.

10 (m) At all standardbred race meetings held or conducted  
11 under authority of a license granted by the Board, and at all  
12 standardbred races held at county fairs which are approved by  
13 the Department of Agriculture or at the Illinois or DuQuoin  
14 State Fairs, no one shall jog, train, warm up or drive a  
15 standardbred horse unless he or she is wearing a protective  
16 safety helmet, with the chin strap fastened and in place, which  
17 meets the standards and requirements as set forth in the 1984  
18 Standard for Protective Headgear for Use in Harness Racing and  
19 Other Equestrian Sports published by the Snell Memorial  
20 Foundation, or any standards and requirements for headgear the  
21 Illinois Racing Board may approve. Any other standards and  
22 requirements so approved by the Board shall equal or exceed  
23 those published by the Snell Memorial Foundation. Any  
24 equestrian helmet bearing the Snell label shall be deemed to  
25 have met those standards and requirements.

26 (Source: P.A. 91-239, eff. 1-1-00.)

1 (230 ILCS 5/31.2 new)

2 Sec. 31.2. Racing Industry Workers' Fund; advisory board.

3 (a) The General Assembly finds that backstretch workers  
4 play a critical role in the success and prosperity of the  
5 racing industry. The General Assembly finds that electronic  
6 gaming will improve the quality and viability of live racing in  
7 Illinois by providing new resources to increase purse sizes and  
8 to improve race track facilities. The General Assembly finds  
9 that there is a concomitant responsibility and duty to address  
10 the human service and housing needs of backstretch workers.

11 (b) There is hereby created in the State treasury a special  
12 fund to be known as the Racing Industry Workers' Fund. The Fund  
13 shall consist of moneys paid into it under subsection (b) of  
14 Section 56 of the Illinois Horse Racing Act of 1975.

15 (c) The Illinois Racing Board is authorized to use funds in  
16 the Racing Industry Workers' Fund to fund programs and  
17 initiatives that improve the quality of life of backstretch  
18 workers. Initiatives funded by the Illinois Racing Board shall  
19 address needs such as illiteracy, substance dependence,  
20 primary health care, child care, housing, and any other social  
21 service need determined by the Illinois Racing Board.

22 (d) On December 31st of each year the Board shall report to  
23 the General Assembly and the Governor on the programs funded by  
24 the Board during the preceding fiscal year, the number of  
25 persons served, and the working and living conditions of

1 backstretch workers.

2 (e) The Board shall appoint a Backstretch Programs Advisory  
3 Board, who shall report to and advise the Board on matters  
4 concerning backstretch conditions and needs. The Backstretch  
5 Programs Advisory Board shall consist of the following 7  
6 members:

7 (1) 2 persons who represent the interests of an  
8 organization licensee;

9 (2) one person who represents the interests of  
10 standardbred horsemen;

11 (3) one person who represents the interests of  
12 thoroughbred horsemen;

13 (4) one person who is or was a backstretch worker;

14 (5) one person who advocates on behalf of backstretch  
15 workers; and

16 (6) one person who has significant experience in  
17 administering social services.

18 (f) The Board shall hire, in its sole discretion, a  
19 backstretch workers' Program Coordinator who shall serve under  
20 the direction of the Board to supervise and coordinate the  
21 programs funded by the Racing Industry Workers' Fund. The  
22 Program Coordinator shall be paid from the Racing Industry  
23 Workers' Fund.

24 (230 ILCS 5/32.1)

25 Sec. 32.1. Pari-mutuel tax credit; statewide racetrack

1 real estate equalization. In order to encourage new investment  
2 in Illinois racetrack facilities and mitigate differing real  
3 estate tax burdens among all racetracks, the licensees  
4 affiliated or associated with each racetrack that has been  
5 awarded live racing dates in the current year shall receive an  
6 immediate pari-mutuel tax credit in an amount equal to the  
7 greater of (i) 50% of the amount of the real estate taxes paid  
8 in the prior year attributable to that racetrack, or (ii) the  
9 amount by which the real estate taxes paid in the prior year  
10 attributable to that racetrack exceeds 60% of the average real  
11 estate taxes paid in the prior year for all racetracks awarded  
12 live horse racing meets in the current year.

13 Each year, regardless of whether the organization licensee  
14 conducted live racing in the year of certification, the Board  
15 shall certify in writing, prior to December 31, the real estate  
16 taxes paid in that year for each racetrack and the amount of  
17 the pari-mutuel tax credit that each organization licensee,  
18 intertrack wagering licensee, and intertrack wagering location  
19 licensee that derives its license from such racetrack is  
20 entitled in the succeeding calendar year. The real estate taxes  
21 considered under this Section for any racetrack shall be those  
22 taxes on the real estate parcels and related facilities used to  
23 conduct a horse race meeting and inter-track wagering at such  
24 racetrack under this Act. In no event shall the amount of the  
25 tax credit under this Section exceed the amount of pari-mutuel  
26 taxes otherwise calculated under this Act. The amount of the

1 tax credit under this Section shall be retained by each  
2 licensee and shall not be subject to any reallocation or  
3 further distribution under this Act. The Board may promulgate  
4 emergency rules to implement this Section.

5 An organization licensee shall no longer be eligible to  
6 receive a pari-mutuel tax credit under this Section beginning  
7 on the January 1 first occurring after the organization  
8 licensee begins conducting electronic gaming pursuant to an  
9 electronic gaming license issued under Section 7.6 of the  
10 Riverboat Gambling Act. For the calendar year in which an  
11 organization licensee that is eligible to receive a pari-mutuel  
12 tax credit under this Section begins conducting electronic  
13 gaming pursuant to an electronic gaming license, the amount of  
14 the pari-mutuel tax credit shall be reduced by a percentage  
15 equal to the percentage of the year remaining after the  
16 organization licensee begins conducting electronic gaming  
17 pursuant to its electronic gaming license.

18 (Source: P.A. 91-40, eff. 6-25-99.)

19 (230 ILCS 5/56 new)

20 Sec. 56. Electronic gaming.

21 (a) An organization licensee may apply to the Gaming Board  
22 for an electronic gaming license. An electronic gaming license  
23 shall authorize its holder to conduct gambling using slot  
24 machines, video games of chance, or both on the grounds of the  
25 licensee's race track. Only one organization licensee per race

1 track may be awarded an electronic gaming license. Each license  
2 shall specify the number of slot machines and video games of  
3 chance that its holder may operate.

4 If an organization licensee applies for an electronic  
5 gaming license, the organization licensee must create an entity  
6 that shall hold the electronic gaming license and conduct  
7 electronic gaming under the license. The majority interest in  
8 the entity shall be retained by the organization licensee, but,  
9 within 12 months from the date the electronic gaming licensee  
10 begins to conduct electronic gaming, the entity shall attain a  
11 level of at least 20% minority person and female ownership, at  
12 least 16% and 4% respectively. The provisions of this  
13 subsection concerning minority person and female ownership of  
14 an entity the holds an electronic gaming license apply only to  
15 electronic gaming and not to any other activities conducted by  
16 an organization licensee under this Act. The provisions of this  
17 subsection concerning the creation of an entity to hold an  
18 electronic gaming license do not apply to an organization  
19 licensee that has attained a level of at least 20% minority  
20 person and female ownership, at least 16% and 4% respectively.  
21 For the purposes of this Section, the terms "female" and  
22 "minority person" have the meanings provided in Section 2 of  
23 the Business Enterprise for Minorities, Females, and Persons  
24 with Disabilities Act.

25 An electronic gaming licensee may not permit persons under  
26 21 years of age to be present in its electronic gaming

1 facility, but the licensee may accept wagers on live racing and  
2 inter-track wagers at its electronic gaming facility.

3 (b) The gross gaming receipts received by an electronic  
4 gaming licensee from electronic gaming remaining after the  
5 payment of taxes under Section 13 of the Riverboat Gambling Act  
6 shall be distributed as provided in this subsection (b).

7 During the first 30 months that an electronic gaming  
8 licensee conducts electronic gaming, on the first \$25,000,000  
9 of annual gross gaming receipts:

10 80.62% shall be retained by the licensee;

11 15.88% shall be paid to purse equity accounts;

12 1.75% shall be paid to the Illinois Thoroughbred  
13 Breeders Fund and the Illinois Standardbred Breeders Fund,  
14 divided pro rata based on the proportion of live  
15 thoroughbred racing and live standardbred racing conducted  
16 at that licensee's race track;

17 0.25% shall be paid to the Illinois Quarter Horse  
18 Breeders Fund;

19 0.0625% shall be paid to the University of Illinois for  
20 equine research;

21 0.0625% shall be paid to the Southern Illinois  
22 University for equine research;

23 1.125% shall be paid to the Racing Industry Workers'  
24 Fund;

25 0.25% shall be paid to the licensee's live racing and  
26 horse ownership promotional account.

1 On annual gross gaming receipts in excess of \$25,000,000 but  
2 not exceeding \$50,000,000:

3 79.08% shall be retained by the licensee;

4 17.42% shall be paid to purse equity accounts;

5 1.75% shall be paid to the Illinois Thoroughbred  
6 Breeders Fund and the Illinois Standardbred Breeders Fund,  
7 divided pro rata based on the proportion of live  
8 thoroughbred racing and live standardbred racing conducted  
9 at that licensee's race track;

10 0.25% shall be paid to the Illinois Quarter Horse  
11 Breeders Fund;

12 0.0625% shall be paid to the University of Illinois for  
13 equine research;

14 0.0625% shall be paid to the Southern Illinois  
15 University for equine research;

16 1.125% shall be paid to the Racing Industry Workers'  
17 Fund;

18 0.25% shall be paid to the licensee's live racing and  
19 horse ownership promotional account.

20 On annual gross gaming receipts in excess of \$50,000,000 but  
21 not exceeding \$75,000,000:

22 77.88% shall be retained by the licensee;

23 18.62% shall be paid to purse equity accounts;

24 1.75% shall be paid to the Illinois Thoroughbred  
25 Breeders Fund and the Illinois Standardbred Breeders Fund,  
26 divided pro rata based on the proportion of live

1 thoroughbred racing and live standardbred racing conducted  
2 at that licensee's race track;

3 0.25% shall be paid to the Illinois Quarter Horse  
4 Breeders Fund;

5 0.0625% shall be paid to the University of Illinois for  
6 equine research;

7 0.0625% shall be paid to the Southern Illinois  
8 University for equine research;

9 1.125% shall be paid to the Racing Industry Workers'  
10 Fund;

11 0.25% shall be paid to the licensee's live racing and  
12 horse ownership promotional account.

13 On annual gross gaming receipts in excess of \$75,000,000 but  
14 not exceeding \$100,000,000:

15 76.5% shall be retained by the licensee;

16 20% shall be paid to purse equity accounts;

17 1.75% shall be paid to the Illinois Thoroughbred  
18 Breeders Fund and the Illinois Standardbred Breeders Fund,  
19 divided pro rata based on the proportion of live  
20 thoroughbred racing and live standardbred racing conducted  
21 at that licensee's race track;

22 0.25% shall be paid to the Illinois Quarter Horse  
23 Breeders Fund;

24 0.0625% shall be paid to the University of Illinois for  
25 equine research;

26 0.0625% shall be paid to the Southern Illinois

1 University for equine research;

2 1.125% shall be paid to the Racing Industry Workers'

3 Fund;

4 0.25% shall be paid to the licensee's live racing and

5 horse ownership promotional account.

6 On annual gross gaming receipts in excess of \$100,000,000 but

7 not exceeding \$125,000,000:

8 74.9% shall be retained by the licensee;

9 21.60% shall be paid to purse equity accounts;

10 1.75% shall be paid to the Illinois Thoroughbred

11 Breeders Fund and the Illinois Standardbred Breeders Fund,

12 divided pro rata based on the proportion of live

13 thoroughbred racing and live standardbred racing conducted

14 at that licensee's race track;

15 0.25% shall be paid to the Illinois Quarter Horse

16 Breeders Fund;

17 0.0625% shall be paid to the University of Illinois for

18 equine research;

19 0.0625% shall be paid to the Southern Illinois

20 University for equine research;

21 1.125% shall be paid to the Racing Industry Workers'

22 Fund;

23 0.25% shall be paid to the licensee's live racing and

24 horse ownership promotional account.

25 On annual gross gaming receipts in excess of \$125,000,000 but

26 not exceeding \$150,000,000:

1           72.81% shall be retained by the licensee;  
2           23.69% shall be paid to purse equity accounts;  
3           1.75% shall be paid to the Illinois Thoroughbred  
4           Breeders Fund and the Illinois Standardbred Breeders Fund,  
5           divided pro rata based on the proportion of live  
6           thoroughbred racing and live standardbred racing conducted  
7           at that licensee's race track;  
8           0.25% shall be paid to the Illinois Quarter Horse  
9           Breeders Fund;  
10          0.0625% shall be paid to the University of Illinois for  
11          equine research;  
12          0.0625% shall be paid to the Southern Illinois  
13          University for equine research;  
14          1.125% shall be paid to the Racing Industry Workers'  
15          Fund;  
16          0.25% shall be paid to the licensee's live racing and  
17          horse ownership promotional account.

18   On annual gross gaming receipts in excess of \$150,000,000:

19           69.50% shall be retained by the licensee;  
20           27% shall be paid to purse equity accounts;  
21           1.75% shall be paid to the Illinois Thoroughbred  
22           Breeders Fund and the Illinois Standardbred Breeders Fund,  
23           divided pro rata based on the proportion of live  
24           thoroughbred racing and live standardbred racing conducted  
25           at that licensee's race track;  
26           0.25% shall be paid to the Illinois Quarter Horse

1 Breeders Fund;

2 0.0625% shall be paid to the University of Illinois for  
3 equine research;

4 0.0625% shall be paid to the Southern Illinois  
5 University for equine research;

6 1.125% shall be paid to the Racing Industry Workers'  
7 Fund;

8 0.25% shall be paid to the licensee's live racing and  
9 horse ownership promotional account.

10 After the first 30 months that an electronic gaming  
11 licensee conducts electronic gaming, on the first \$25,000,000  
12 of annual gross gaming receipts:

13 79.44% shall be retained by the licensee;

14 17.06% shall be paid to purse equity accounts;

15 1.75% shall be paid to the Illinois Thoroughbred  
16 Breeders Fund and the Illinois Standardbred Breeders Fund,  
17 divided pro rata based on the proportion of live  
18 thoroughbred racing and live standardbred racing conducted  
19 at that licensee's race track;

20 0.25% shall be paid to the Illinois Quarter Horse  
21 Breeders Fund;

22 0.0625% shall be paid to the University of Illinois for  
23 equine research;

24 0.0625% shall be paid to the Southern Illinois  
25 University for equine research;

26 1.125% shall be paid to the Racing Industry Workers'

1       Fund;

2               0.25% shall be paid to the licensee's live racing and  
3               horse ownership promotional account.

4       On annual gross gaming receipts in excess of \$25,000,000 but  
5       not exceeding \$50,000,000:

6               77.79% shall be retained by the licensee;

7               18.71% shall be paid to purse equity accounts;

8               1.75% shall be paid to the Illinois Thoroughbred  
9               Breeders Fund and the Illinois Standardbred Breeders Fund,  
10              divided pro rata based on the proportion of live  
11              thoroughbred racing and live standardbred racing conducted  
12              at that licensee's race track;

13              0.25% shall be paid to the Illinois Quarter Horse  
14              Breeders Fund;

15              0.0625% shall be paid to the University of Illinois for  
16              equine research;

17              0.0625% shall be paid to the Southern Illinois  
18              University for equine research;

19              1.125% shall be paid to the Racing Industry Workers'  
20              Fund;

21              0.25% shall be paid to the licensee's live racing and  
22              horse ownership promotional account.

23       On annual gross gaming receipts in excess of \$50,000,000 but  
24       not exceeding \$75,000,000:

25              76.5% shall be retained by the licensee;

26              20% shall be paid to purse equity accounts;

1           1.75% shall be paid to the Illinois Thoroughbred  
2           Breeders Fund and the Illinois Standardbred Breeders Fund,  
3           divided pro rata based on the proportion of live  
4           thoroughbred racing and live standardbred racing conducted  
5           at that licensee's race track;

6           0.25% shall be paid to the Illinois Quarter Horse  
7           Breeders Fund;

8           0.0625% shall be paid to the University of Illinois for  
9           equine research;

10           0.0625% shall be paid to the Southern Illinois  
11           University for equine research;

12           1.125% shall be paid to the Racing Industry Workers'  
13           Fund;

14           0.25% shall be paid to the licensee's live racing and  
15           horse ownership promotional account.

16           On annual gross gaming receipts in excess of \$75,000,000 but  
17           not exceeding \$100,000,000:

18           75.02% shall be retained by the licensee;

19           21.48% shall be paid to purse equity accounts;

20           1.75% shall be paid to the Illinois Thoroughbred  
21           Breeders Fund and the Illinois Standardbred Breeders Fund,  
22           divided pro rata based on the proportion of live  
23           thoroughbred racing and live standardbred racing conducted  
24           at that licensee's race track;

25           0.25% shall be paid to the Illinois Quarter Horse  
26           Breeders Fund;

1           0.0625% shall be paid to the University of Illinois for  
2           equine research;

3           0.0625% shall be paid to the Southern Illinois  
4           University for equine research;

5           1.125% shall be paid to the Racing Industry Workers'  
6           Fund;

7           0.25% shall be paid to the licensee's live racing and  
8           horse ownership promotional account.

9           On annual gross gaming receipts in excess of \$100,000,000 but  
10           not exceeding \$125,000,000:

11           73.3% shall be retained by the licensee;

12           23.2% shall be paid to purse equity accounts;

13           1.75% shall be paid to the Illinois Thoroughbred  
14           Breeders Fund and the Illinois Standardbred Breeders Fund,  
15           divided pro rata based on the proportion of live  
16           thoroughbred racing and live standardbred racing conducted  
17           at that licensee's race track;

18           0.25% shall be paid to the Illinois Quarter Horse  
19           Breeders Fund;

20           0.0625% shall be paid to the University of Illinois for  
21           equine research;

22           0.0625% shall be paid to the Southern Illinois  
23           University for equine research;

24           1.125% shall be paid to the Racing Industry Workers'  
25           Fund;

26           0.25% shall be paid to the licensee's live racing and

1 horse ownership promotional account.

2 On annual gross gaming receipts in excess of \$125,000,000 but  
3 not exceeding \$150,000,000:

4 71.07% shall be retained by the licensee;

5 25.43% shall be paid to purse equity accounts;

6 1.75% shall be paid to the Illinois Thoroughbred  
7 Breeders Fund and the Illinois Standardbred Breeders Fund,  
8 divided pro rata based on the proportion of live  
9 thoroughbred racing and live standardbred racing conducted  
10 at that licensee's race track;

11 0.25% shall be paid to the Illinois Quarter Horse  
12 Breeders Fund;

13 0.0625% shall be paid to the University of Illinois for  
14 equine research;

15 0.0625% shall be paid to the Southern Illinois  
16 University for equine research;

17 1.125% shall be paid to the Racing Industry Workers'  
18 Fund;

19 0.25% shall be paid to the licensee's live racing and  
20 horse ownership promotional account.

21 On annual gross gaming receipts in excess of \$150,000,000:

22 67.50% shall be retained by the licensee;

23 29% shall be paid to purse equity accounts;

24 1.75% shall be paid to the Illinois Thoroughbred  
25 Breeders Fund and the Illinois Standardbred Breeders Fund,  
26 divided pro rata based on the proportion of live

1 thoroughbred racing and live standardbred racing conducted  
2 at that licensee's race track;

3 0.25% shall be paid to the Illinois Quarter Horse  
4 Breeders Fund;

5 0.0625% shall be paid to the University of Illinois for  
6 equine research;

7 0.0625% shall be paid to the Southern Illinois  
8 University for equine research;

9 1.125% shall be paid to the Racing Industry Workers'  
10 Fund;

11 0.25% shall be paid to the licensee's live racing and  
12 horse ownership promotional account.

13 (c) Moneys paid into purse equity accounts by licensees at  
14 tracks located in counties other than Madison County shall be  
15 maintained separately from moneys paid into purse equity  
16 accounts by a licensee at a track located in Madison County.

17 (d) Of the moneys paid to purse equity accounts by an  
18 electronic gaming licensee located in a county other than  
19 Madison County, 58% shall be paid into a single thoroughbred  
20 purse pool and 42% shall be paid into a single standardbred  
21 purse pool.

22 For a track located in a county other than Madison County,  
23 each calendar year, moneys in the thoroughbred purse pool shall  
24 be distributed equally for each awarded racing date to the  
25 thoroughbred purse accounts of each organization licensee that  
26 paid money into the thoroughbred purse pool.

1       For a track located in a county other than Madison County,  
2       each calendar year, moneys in the standardbred purse pool shall  
3       be distributed equally for each awarded racing date to the  
4       standardbred purse accounts of each organization licensee that  
5       paid money into the standardbred purse pool.

6       Of the moneys paid to purse equity accounts by an  
7       electronic gaming licensee located in Madison County, 58% shall  
8       be paid into thoroughbred purses and 42% shall be paid into  
9       standardbred purses.

10       Moneys distributed under this subsection (d) shall be  
11       distributed as directed by the Board.

12       Section 30. The Riverboat Gambling Act is amended by  
13       changing Sections 3, 4, 5, 7, 7.1, 8, 9, 11, 11.1, 12, 13, 14,  
14       18, 19, 20, and 23 and adding Sections 5.2, 7.6, and 7.7 as  
15       follows:

16           (230 ILCS 10/3) (from Ch. 120, par. 2403)

17       Sec. 3. ~~Riverboat~~ Gambling Authorized.

18       (a) Riverboat gambling operations and electronic gaming  
19       operations ~~and the system of wagering incorporated therein~~, as  
20       defined in this Act, are hereby authorized to the extent that  
21       they are carried out in accordance with the provisions of this  
22       Act.

23       (b) This Act does not apply to the pari-mutuel system of  
24       wagering used or intended to be used in connection with the

1 horse-race meetings as authorized under the Illinois Horse  
2 Racing Act of 1975, lottery games authorized under the Illinois  
3 Lottery Law, bingo authorized under the Bingo License and Tax  
4 Act, charitable games authorized under the Charitable Games Act  
5 or pull tabs and jar games conducted under the Illinois Pull  
6 Tabs and Jar Games Act. This Act does apply to electronic  
7 gaming authorized under the Illinois Horse Racing Act of 1975  
8 to the extent provided in that Act and in this Act.

9 (c) Riverboat gambling conducted pursuant to this Act may  
10 be authorized upon any water within the State of Illinois or  
11 any water other than Lake Michigan which constitutes a boundary  
12 of the State of Illinois. Notwithstanding any provision in this  
13 subsection (c) to the contrary, a licensee that receives its  
14 license pursuant to paragraph (2) of subsection (e-5) of  
15 Section 7 may conduct riverboat gambling on Lake Michigan from  
16 a home dock located on Lake Michigan subject to any limitations  
17 contained in Section 7. A licensee may conduct riverboat  
18 gambling authorized under this Act regardless of whether it  
19 conducts excursion cruises. A licensee may permit the  
20 continuous ingress and egress of passengers for the purpose of  
21 gambling.

22 (d) Gambling that is conducted in accordance with this Act  
23 using slot machines and video games of chance shall be  
24 authorized at electronic gaming facilities as provided in this  
25 Act.

26 (Source: P.A. 91-40, eff. 6-25-99.)

1 (230 ILCS 10/4) (from Ch. 120, par. 2404)

2 Sec. 4. Definitions. As used in this Act:

3 ~~(a)~~ "Board" means the Illinois Gaming Board.

4 ~~(b)~~ "Occupational license" means a license issued by the  
5 Board to a person or entity to perform an occupation which the  
6 Board has identified as requiring a license to engage in  
7 riverboat gambling in Illinois.

8 ~~(c)~~ "Gambling game" includes, but is not limited to,  
9 baccarat, twenty-one, poker, craps, slot machine, video game of  
10 chance, roulette wheel, klondike table, punchboard, faro  
11 layout, keno layout, numbers ticket, push card, jar ticket, or  
12 pull tab which is authorized by the Board as a wagering device  
13 under this Act.

14 ~~(d)~~ "Riverboat" means a self-propelled excursion boat, a  
15 permanently moored barge, or permanently moored barges that are  
16 permanently fixed together to operate as one vessel, on which  
17 lawful gambling is authorized and licensed as provided in this  
18 Act.

19 ~~(e)~~ "Managers license" means a license issued by the Board  
20 to a person or entity to manage gambling operations conducted  
21 by the State pursuant to Section 7.3 ~~7.2~~.

22 ~~(f)~~ "Dock" means the location where a riverboat moors for  
23 the purpose of embarking passengers for and disembarking  
24 passengers from the riverboat.

25 ~~(g)~~ "Whole gaming ~~Gross~~ receipts" means the total amount of

1 money exchanged for the purchase of chips, tokens or electronic  
2 cards by riverboat patrons or electronic gaming patrons.

3 ~~(h)~~ "Gross gaming ~~Adjusted gross~~ receipts" means the whole  
4 gaming gross receipts less winnings paid to wagerers.

5 ~~(i)~~ "Cheat" means to alter the selection of criteria which  
6 determine the result of a gambling game or the amount or  
7 frequency of payment in a gambling game.

8 ~~(j)~~ "Department" means the Department of Revenue.

9 ~~(k)~~ "Gambling operation" means the conduct of ~~authorized~~  
10 gambling games authorized under this Act upon a riverboat or  
11 authorized under this Act and the Illinois Horse Racing Act of  
12 1975 at an electronic gaming facility.

13 ~~(l)~~ "License bid" means the lump sum amount of money that  
14 an applicant bids and agrees to pay the State in return for an  
15 owners license that is re-issued on or after July 1, 2003.

16 ~~(m)~~ The terms "minority person" and "female" shall have the  
17 same meaning as defined in Section 2 of the Business Enterprise  
18 for Minorities, Females, and Persons with Disabilities Act.

19 "Owners license" means a license to conduct riverboat  
20 gambling operations, but does not include an electronic gaming  
21 license.

22 "Licensed owner" means a person who holds an owners  
23 license.

24 "Electronic gaming" means the conduct of gambling using  
25 slot machines and video games of chance at a race track  
26 licensed under the Illinois Horse Racing Act of 1975 pursuant

1 to the Illinois Horse Racing Act of 1975 and this Act.

2 "Electronic gaming facility" means the area where the Board  
3 has authorized electronic gaming at a race track of an  
4 organization licensee under the Illinois Horse Racing Act of  
5 1975 that holds an electronic gaming license.

6 "Electronic gaming license" means a license issued by the  
7 Board under Section 7.6 of this Act authorizing electronic  
8 gaming at an electronic gaming facility.

9 "Electronic gaming licensee" means an entity that holds an  
10 electronic gaming license.

11 "Organization licensee" means an entity authorized by the  
12 Illinois Racing Board to conduct pari-mutuel wagering in  
13 accordance with the Illinois Horse Racing Act of 1975. With  
14 respect only to electronic gaming, "organization licensee"  
15 includes the entity created under subsection (a) of Section 56  
16 of the Illinois Horse Racing Act of 1975.

17 (Source: P.A. 92-600, eff. 6-28-02; 93-28, eff. 6-20-03;  
18 revised 1-28-04.)

19 (230 ILCS 10/5) (from Ch. 120, par. 2405)

20 Sec. 5. Gaming Board.

21 (a) (1) There is hereby established within the Department  
22 of Revenue an Illinois Gaming Board which shall have the powers  
23 and duties specified in this Act, and all other powers  
24 necessary and proper to fully and effectively execute this Act  
25 for the purpose of administering, regulating, and enforcing the

1 system of riverboat gambling established by this Act. Its  
2 jurisdiction shall extend under this Act to every person,  
3 association, corporation, partnership and trust involved in  
4 riverboat gambling operations in the State of Illinois.

5 (2) The Board shall consist of 5 members to be appointed by  
6 the Governor with the advice and consent of the Senate, one of  
7 whom shall be designated by the Governor to be chairperson  
8 ~~chairman~~. Each member shall have a reasonable knowledge of the  
9 practice, procedure and principles of gambling operations.  
10 Each member shall either be a resident of Illinois or shall  
11 certify that he or she will become a resident of Illinois  
12 before taking office. At least one member shall be experienced  
13 in law enforcement and criminal investigation, at least one  
14 member shall be a certified public accountant experienced in  
15 accounting and auditing, and at least one member shall be a  
16 lawyer licensed to practice law in Illinois.

17 (3) The terms of office of the Board members shall be 3  
18 years, except that the terms of office of the initial Board  
19 members appointed pursuant to this Act will commence from the  
20 effective date of this Act and run as follows: one for a term  
21 ending July 1, 1991, 2 for a term ending July 1, 1992, and 2 for  
22 a term ending July 1, 1993. Upon the expiration of the  
23 foregoing terms, the successors of such members shall serve a  
24 term for 3 years and until their successors are appointed and  
25 qualified for like terms. Vacancies in the Board shall be  
26 filled for the unexpired term in like manner as original

1 appointments. Each member of the Board shall be eligible for  
2 reappointment at the discretion of the Governor with the advice  
3 and consent of the Senate.

4 (4) Each member of the Board shall receive \$300 for each  
5 day the Board meets and for each day the member conducts any  
6 hearing pursuant to this Act. Each member of the Board shall  
7 also be reimbursed for all actual and necessary expenses and  
8 disbursements incurred in the execution of official duties.

9 (5) No person shall be appointed a member of the Board or  
10 continue to be a member of the Board who is, or whose spouse,  
11 child or parent is, a member of the board of directors of, or a  
12 person financially interested in, any gambling operation  
13 subject to the jurisdiction of this Board, or any race track,  
14 race meeting, racing association or the operations thereof  
15 subject to the jurisdiction of the Illinois Racing Board. No  
16 Board member shall hold any other public office for which he  
17 shall receive compensation other than necessary travel or other  
18 incidental expenses. No person shall be a member of the Board  
19 who is not of good moral character or who has been convicted  
20 of, or is under indictment for, a felony under the laws of  
21 Illinois or any other state, or the United States.

22 (6) Any member of the Board may be removed by the Governor  
23 for neglect of duty, misfeasance, malfeasance, or nonfeasance  
24 in office.

25 (7) Before entering upon the discharge of the duties of his  
26 office, each member of the Board shall take an oath that he

1 will faithfully execute the duties of his office according to  
2 the laws of the State and the rules and regulations adopted  
3 therewith and shall give bond to the State of Illinois,  
4 approved by the Governor, in the sum of \$25,000. Every such  
5 bond, when duly executed and approved, shall be recorded in the  
6 office of the Secretary of State. Whenever the Governor  
7 determines that the bond of any member of the Board has become  
8 or is likely to become invalid or insufficient, he shall  
9 require such member forthwith to renew his bond, which is to be  
10 approved by the Governor. Any member of the Board who fails to  
11 take oath and give bond within 30 days from the date of his  
12 appointment, or who fails to renew his bond within 30 days  
13 after it is demanded by the Governor, shall be guilty of  
14 neglect of duty and may be removed by the Governor. The cost of  
15 any bond given by any member of the Board under this Section  
16 shall be taken to be a part of the necessary expenses of the  
17 Board.

18 (8) Upon the request of the Board, the Department shall  
19 employ such personnel as may be necessary to carry out the  
20 functions of the Board. No person shall be employed to serve  
21 the Board who is, or whose spouse, parent or child is, an  
22 official of, or has a financial interest in or financial  
23 relation with, any operator engaged in gambling operations  
24 within this State or any organization engaged in conducting  
25 horse racing within this State. Any employee violating these  
26 prohibitions shall be subject to termination of employment.

1           (9) An Administrator shall perform any and all duties that  
2 the Board shall assign him. The salary of the Administrator  
3 shall be determined by the Board and approved by the Director  
4 of the Department and, in addition, he shall be reimbursed for  
5 all actual and necessary expenses incurred by him in discharge  
6 of his official duties. The Administrator shall keep records of  
7 all proceedings of the Board and shall preserve all records,  
8 books, documents and other papers belonging to the Board or  
9 entrusted to its care. The Administrator shall devote his full  
10 time to the duties of the office and shall not hold any other  
11 office or employment.

12           (b) The Board shall have general responsibility for the  
13 implementation of this Act. Its duties include, without  
14 limitation, the following:

15           (1) To decide promptly and in reasonable order all  
16 license applications. Any party aggrieved by an action of  
17 the Board denying, suspending, revoking, restricting or  
18 refusing to renew a license may request a hearing before  
19 the Board. A request for a hearing must be made to the  
20 Board in writing within 5 days after service of notice of  
21 the action of the Board. Notice of the action of the Board  
22 shall be served either by personal delivery or by certified  
23 mail, postage prepaid, to the aggrieved party. Notice  
24 served by certified mail shall be deemed complete on the  
25 business day following the date of such mailing. The Board  
26 shall conduct all requested hearings promptly and in

1 reasonable order;

2 (2) To conduct all hearings pertaining to civil  
3 violations of this Act or rules and regulations promulgated  
4 hereunder;

5 (3) To promulgate such rules and regulations as in its  
6 judgment may be necessary to protect or enhance the  
7 credibility and integrity of gambling operations  
8 authorized by this Act and the regulatory process  
9 hereunder;

10 (4) To provide for the establishment and collection of  
11 all license and registration fees and taxes imposed by this  
12 Act and the rules and regulations issued pursuant hereto.  
13 All such fees and taxes shall be deposited into the State  
14 Gaming Fund;

15 (5) To provide for the levy and collection of penalties  
16 and fines for the violation of provisions of this Act and  
17 the rules and regulations promulgated hereunder. All such  
18 fines and penalties shall be deposited into the Education  
19 Assistance Fund, created by Public Act 86-0018, of the  
20 State of Illinois;

21 (6) To be present through its inspectors and agents any  
22 time gambling operations are conducted on any riverboat or  
23 at any electronic gaming facility for the purpose of  
24 certifying the revenue thereof, receiving complaints from  
25 the public, and conducting such other investigations into  
26 the conduct of the gambling games and the maintenance of

1 the equipment as from time to time the Board may deem  
2 necessary and proper;

3 (7) To review and rule upon any complaint by a licensee  
4 regarding any investigative procedures of the State which  
5 are unnecessarily disruptive of gambling operations. The  
6 need to inspect and investigate shall be presumed at all  
7 times. The disruption of a licensee's operations shall be  
8 proved by clear and convincing evidence, and establish  
9 that: (A) the procedures had no reasonable law enforcement  
10 purposes, and (B) the procedures were so disruptive as to  
11 unreasonably inhibit gambling operations;

12 (8) To hold at least one meeting each quarter of the  
13 fiscal year. In addition, special meetings may be called by  
14 the chairperson ~~Chairman~~ or any 2 Board members upon 72  
15 hours written notice to each member. All Board meetings  
16 shall be subject to the Open Meetings Act. Three members of  
17 the Board shall constitute a quorum, and 3 votes shall be  
18 required for any final determination by the Board. The  
19 Board shall keep a complete and accurate record of all its  
20 meetings. A majority of the members of the Board shall  
21 constitute a quorum for the transaction of any business,  
22 for the performance of any duty, or for the exercise of any  
23 power which this Act requires the Board members to  
24 transact, perform or exercise en banc, except that, upon  
25 order of the Board, one of the Board members or an  
26 administrative law judge designated by the Board may

1           conduct any hearing provided for under this Act or by Board  
2           rule and may recommend findings and decisions to the Board.  
3           The Board member or administrative law judge conducting  
4           such hearing shall have all powers and rights granted to  
5           the Board in this Act. The record made at the time of the  
6           hearing shall be reviewed by the Board, or a majority  
7           thereof, and the findings and decision of the majority of  
8           the Board shall constitute the order of the Board in such  
9           case;

10           (9) To maintain records which are separate and distinct  
11           from the records of any other State board or commission.  
12           Such records shall be available for public inspection and  
13           shall accurately reflect all Board proceedings;

14           (10) To file a written annual report with the Governor  
15           on or before March 1 each year and such additional reports  
16           as the Governor may request. The annual report shall  
17           include a statement of receipts and disbursements by the  
18           Board, actions taken by the Board, and any additional  
19           information and recommendations which the Board may deem  
20           valuable or which the Governor may request;

21           (11) (Blank); ~~and~~

22           (12) To assume responsibility for the administration  
23           and enforcement of the Bingo License and Tax Act, the  
24           Charitable Games Act, and the Pull Tabs and Jar Games Act  
25           if such responsibility is delegated to it by the Director  
26           of Revenue; and.

1           (13) To assume responsibility for the administration  
2           and enforcement of operations at electronic gaming  
3           facilities pursuant to this Act and the Illinois Horse  
4           Racing Act of 1975.

5           (c) The Board shall have jurisdiction over and shall  
6 supervise all gambling operations governed by this Act. The  
7 Board shall have all powers necessary and proper to fully and  
8 effectively execute the provisions of this Act, including, but  
9 not limited to, the following:

10           (1) To investigate applicants and determine the  
11 eligibility of applicants for licenses and to select among  
12 competing applicants the applicants which best serve the  
13 interests of the citizens of Illinois.

14           (2) To have jurisdiction and supervision over all  
15 ~~riverboat~~ gambling operations authorized under this Act ~~in~~  
16 ~~this State~~ and all persons in places ~~on riverboats~~ where  
17 gambling operations are conducted.

18           (3) To promulgate rules and regulations for the purpose  
19 of administering the provisions of this Act and to  
20 prescribe rules, regulations and conditions under which  
21 all ~~riverboat~~ gambling operations subject to this Act ~~in~~  
22 ~~the State~~ shall be conducted. Such rules and regulations  
23 are to provide for the prevention of practices detrimental  
24 to the public interest and for the best interests of  
25 ~~riverboat~~ gambling, including rules and regulations  
26 regarding the inspection of electronic gaming facilities

1        and such riverboats and the review of any permits or  
2        licenses necessary to operate a riverboat or electronic  
3        gaming facility under any laws or regulations applicable to  
4        riverboats and electronic gaming facilities, and to impose  
5        penalties for violations thereof.

6            (4) To enter the office, riverboats, electronic gaming  
7        facilities, and other facilities, or other places of  
8        business of a licensee, where evidence of the compliance or  
9        noncompliance with the provisions of this Act is likely to  
10       be found.

11           (5) To investigate alleged violations of this Act or  
12       the rules of the Board and to take appropriate disciplinary  
13       action against a licensee or a holder of an occupational  
14       license for a violation, or institute appropriate legal  
15       action for enforcement, or both.

16           (6) To adopt standards for the licensing of all persons  
17       under this Act, as well as for electronic or mechanical  
18       gambling games, and to establish fees for such licenses.

19           (7) To adopt appropriate standards for all electronic  
20       gaming facilities, riverboats, and other facilities  
21       authorized under this Act.

22           (8) To require that the records, including financial or  
23       other statements of any licensee under this Act, shall be  
24       kept in such manner as prescribed by the Board and that any  
25       such licensee involved in the ownership or management of  
26       gambling operations submit to the Board an annual balance

1 sheet and profit and loss statement, list of the  
2 stockholders or other persons having a 1% or greater  
3 beneficial interest in the gambling activities of each  
4 licensee, and any other information the Board deems  
5 necessary in order to effectively administer this Act and  
6 all rules, regulations, orders and final decisions  
7 promulgated under this Act.

8 (9) To conduct hearings, issue subpoenas for the  
9 attendance of witnesses and subpoenas duces tecum for the  
10 production of books, records and other pertinent documents  
11 in accordance with the Illinois Administrative Procedure  
12 Act, and to administer oaths and affirmations to the  
13 witnesses, when, in the judgment of the Board, it is  
14 necessary to administer or enforce this Act or the Board  
15 rules.

16 (10) To prescribe a form to be used by any licensee  
17 involved in the ownership or management of gambling  
18 operations as an application for employment for their  
19 employees.

20 (11) To revoke or suspend licenses, as the Board may  
21 see fit and in compliance with applicable laws of the State  
22 regarding administrative procedures, and to review  
23 applications for the renewal of licenses. The Board may  
24 suspend an owners license or an electronic gaming license~~7~~  
25 without notice or hearing, upon a determination that the  
26 safety or health of patrons or employees is jeopardized by

1 continuing a gambling operation conducted under that  
2 license ~~a riverboat's operation~~. The suspension may remain  
3 in effect until the Board determines that the cause for  
4 suspension has been abated. The Board may revoke the owners  
5 license or the electronic gaming license upon a  
6 determination that the licensee ~~owner~~ has not made  
7 satisfactory progress toward abating the hazard.

8 (12) To eject or exclude or authorize the ejection or  
9 exclusion of, any person from ~~riverboat~~ gambling  
10 facilities where that ~~such~~ person is in violation of this  
11 Act, rules and regulations thereunder, or final orders of  
12 the Board, or where such person's conduct or reputation is  
13 such that his or her presence within the ~~riverboat~~ gambling  
14 facilities may, in the opinion of the Board, call into  
15 question the honesty and integrity of the gambling  
16 operations or interfere with the orderly conduct thereof;  
17 provided that the propriety of such ejection or exclusion  
18 is subject to subsequent hearing by the Board.

19 (13) To require all licensees of gambling operations to  
20 utilize a cashless wagering system whereby all players'  
21 money is converted to tokens, electronic cards, or chips  
22 which shall be used only for wagering in the gambling  
23 establishment.

24 (14) (Blank).

25 (15) To suspend, revoke or restrict licenses or  
26 electronic gaming licenses, to require the removal of a

1 licensee or an employee of a licensee for a violation of  
2 this Act or a Board rule or for engaging in a fraudulent  
3 practice, and to impose civil penalties of up to \$5,000  
4 against individuals and up to \$10,000 or an amount equal to  
5 the daily whole gaming ~~gross~~ receipts, whichever is larger,  
6 against licensees for each violation of any provision of  
7 the Act, any rules adopted by the Board, any order of the  
8 Board or any other action which, in the Board's discretion,  
9 is a detriment or impediment to ~~riverboat~~ gambling  
10 operations.

11 (16) To hire employees to gather information, conduct  
12 investigations and carry out any other tasks contemplated  
13 under this Act.

14 (17) To establish minimum levels of insurance to be  
15 maintained by licensees.

16 (18) To authorize a licensee to sell or serve alcoholic  
17 liquors, wine or beer as defined in the Liquor Control Act  
18 of 1934 on board a riverboat and to have exclusive  
19 authority to establish the hours for sale and consumption  
20 of alcoholic liquor on board a riverboat, notwithstanding  
21 any provision of the Liquor Control Act of 1934 or any  
22 local ordinance, and regardless of whether the riverboat  
23 makes excursions. The establishment of the hours for sale  
24 and consumption of alcoholic liquor on board a riverboat is  
25 an exclusive power and function of the State. A home rule  
26 unit may not establish the hours for sale and consumption

1 of alcoholic liquor on board a riverboat. This amendatory  
2 Act of 1991 is a denial and limitation of home rule powers  
3 and functions under subsection (h) of Section 6 of Article  
4 VII of the Illinois Constitution.

5 (19) After consultation with the U.S. Army Corps of  
6 Engineers, to establish binding emergency orders upon the  
7 concurrence of a majority of the members of the Board  
8 regarding the navigability of water, relative to  
9 excursions, in the event of extreme weather conditions,  
10 acts of God or other extreme circumstances.

11 (20) To delegate the execution of any of its powers  
12 under this Act for the purpose of administering and  
13 enforcing this Act and its rules and regulations hereunder.

14 (21) To make rules concerning the conduct of electronic  
15 gaming.

16 (22) ~~(21)~~ To take any other action as may be reasonable  
17 or appropriate to enforce this Act and rules and  
18 regulations hereunder.

19 (d) The Board may seek and shall receive the cooperation of  
20 the Department of State Police in conducting background  
21 investigations of applicants and in fulfilling its  
22 responsibilities under this Section. Costs incurred by the  
23 Department of State Police as a result of such cooperation  
24 shall be paid by the Board in conformance with the requirements  
25 of Section 2605-400 of the Department of State Police Law (20  
26 ILCS 2605/2605-400).

1 (e) The Board must authorize to each investigator and to  
2 any other employee of the Board exercising the powers of a  
3 peace officer a distinct badge that, on its face, (i) clearly  
4 states that the badge is authorized by the Board and (ii)  
5 contains a unique identifying number. No other badge shall be  
6 authorized by the Board.

7 (Source: P.A. 91-40, eff. 1-1-00; 91-239, eff. 1-1-00; 91-883,  
8 eff. 1-1-01.)

9 (230 ILCS 10/5.2 new)

10 Sec. 5.2. Enforcement and investigations. Notwithstanding  
11 any provision in this Act to the contrary, all duties related  
12 to investigations under this Act and the enforcement of this  
13 Act shall be divided equally between employees of the  
14 Department of State Police and investigators employed by the  
15 Department of Revenue.

16 (230 ILCS 10/7) (from Ch. 120, par. 2407)

17 Sec. 7. Owners Licenses.

18 (a) The Board shall issue owners licenses to persons, firms  
19 or corporations which apply for such licenses upon payment to  
20 the Board of the non-refundable license fee set by the Board,  
21 upon payment of a \$25,000 license fee for the first year of  
22 operation and a \$5,000 license fee for each succeeding year and  
23 upon a determination by the Board that the applicant is  
24 eligible for an owners license pursuant to this Act and the

1 rules of the Board. For a period of 2 years beginning on the  
2 effective date of this amendatory Act of the 94th General  
3 Assembly, as a condition of licensure and as an alternative  
4 source of payment for those funds payable under subsection  
5 (c-5) of Section 13 of the Riverboat Gambling Act, any owners  
6 licensee that holds or receives its owners license on or after  
7 the effective date of this amendatory Act of the 94th General  
8 Assembly, other than an owners licensee operating a riverboat  
9 with adjusted gross receipts in calendar year 2004 of less than  
10 \$200,000,000, must pay into the Horse Racing Equity Trust Fund,  
11 in addition to any other payments required under this Act, an  
12 amount equal to 3% of the adjusted gross receipts received by  
13 the owners licensee. The payments required under this Section  
14 shall be made by the owners licensee to the State Treasurer no  
15 later than 3:00 o'clock p.m. of the day after the day when the  
16 adjusted gross receipts were received by the owners licensee. A  
17 person, firm or corporation is ineligible to receive an owners  
18 license if:

19 (1) the person has been convicted of a felony under the  
20 laws of this State, any other state, or the United States;

21 (2) the person has been convicted of any violation of  
22 Article 28 of the Criminal Code of 1961, or substantially  
23 similar laws of any other jurisdiction;

24 (3) the person has submitted an application for a  
25 license under this Act which contains false information;

26 (4) the person is a member of the Board;

1           (5) a person defined in (1), (2), (3) or (4) is an  
2 officer, director or managerial employee of the firm or  
3 corporation;

4           (6) the firm or corporation employs a person defined in  
5 (1), (2), (3) or (4) who participates in the management or  
6 operation of gambling operations authorized under this  
7 Act;

8           (7) (blank); or

9           (8) a license of the person, firm or corporation issued  
10 under this Act, or a license to own or operate gambling  
11 facilities in any other jurisdiction, has been revoked.

12           (b) In determining whether to grant an owners license to an  
13 applicant, the Board shall consider:

14           (1) the character, reputation, experience and  
15 financial integrity of the applicants and of any other or  
16 separate person that either:

17                   (A) controls, directly or indirectly, such  
18 applicant, or

19                   (B) is controlled, directly or indirectly, by such  
20 applicant or by a person which controls, directly or  
21 indirectly, such applicant;

22           (2) the facilities or proposed facilities for the  
23 conduct of riverboat gambling;

24           (3) the highest prospective total revenue to be derived  
25 by the State from the conduct of riverboat gambling;

26           (4) the extent to which the ownership of the applicant

1 reflects the diversity of the State by including minority  
2 persons and females and the good faith affirmative action  
3 plan of each applicant to recruit, train and upgrade  
4 minority persons and females in all employment  
5 classifications;

6 (5) the financial ability of the applicant to purchase  
7 and maintain adequate liability and casualty insurance;

8 (6) whether the applicant has adequate capitalization  
9 to provide and maintain, for the duration of a license, a  
10 riverboat;

11 (7) the extent to which the applicant exceeds or meets  
12 other standards for the issuance of an owners license which  
13 the Board may adopt by rule; and

14 (8) The amount of the applicant's license bid.

15 (c) Each owners license shall specify the place where  
16 riverboats shall operate and dock.

17 (d) Each applicant shall submit with his application, on  
18 forms provided by the Board, 2 sets of his fingerprints.

19 (e) In addition to any licensees authorized under  
20 subsection (e-5), the ~~The~~ Board may issue up to 10 licenses  
21 authorizing the holders of such licenses to own riverboats. In  
22 the application for an owners license, the applicant shall  
23 state the dock at which the riverboat is based and the water on  
24 which the riverboat will be located. The Board shall issue 5  
25 licenses to become effective not earlier than January 1, 1991.  
26 Three of such licenses shall authorize riverboat gambling on

1 the Mississippi River, or, with approval by the municipality in  
2 which the riverboat was docked on August 7, 2003 and with Board  
3 approval, be authorized to relocate to a new location, in a  
4 municipality that (1) borders on the Mississippi River or is  
5 within 5 miles of the city limits of a municipality that  
6 borders on the Mississippi River and (2), on August 7, 2003,  
7 had a riverboat conducting riverboat gambling operations  
8 pursuant to a license issued under this Act; one of which shall  
9 authorize riverboat gambling from a home dock in the city of  
10 East St. Louis. One other license shall authorize riverboat  
11 gambling on the Illinois River south of Marshall County. The  
12 Board shall issue one additional license to become effective  
13 not earlier than March 1, 1992, which shall authorize riverboat  
14 gambling on the Des Plaines River in Will County. The Board may  
15 issue 4 additional licenses to become effective not earlier  
16 than March 1, 1992. In determining the water upon which  
17 riverboats will operate, the Board shall consider the economic  
18 benefit which riverboat gambling confers on the State, and  
19 shall seek to assure that all regions of the State share in the  
20 economic benefits of riverboat gambling.

21 In granting all licenses, the Board may give favorable  
22 consideration to economically depressed areas of the State, to  
23 applicants presenting plans which provide for significant  
24 economic development over a large geographic area, and to  
25 applicants who currently operate non-gambling riverboats in  
26 Illinois. The Board shall review all applications for owners

1 licenses, and shall inform each applicant of the Board's  
2 decision. The Board may grant an owners license to an applicant  
3 that has not submitted the highest license bid, but if it does  
4 not select the highest bidder, the Board shall issue a written  
5 decision explaining why another applicant was selected and  
6 identifying the factors set forth in this Section that favored  
7 the winning bidder.

8 (e-5) In addition to the licenses authorized under  
9 subsection (e), the Board may issue 2 additional licenses  
10 authorizing riverboat gambling as follows:

11 (1) One of the licenses issued under this subsection  
12 (e-5) shall authorize its holder to conduct riverboat  
13 gambling in Cook County from a home dock located in the  
14 area bordered on the North by the southern corporate limits  
15 of the City of Chicago, on the South by Route 30, on the  
16 East by the Indiana border, and on the West by Interstate  
17 57.

18 (2) One of the licenses issued under this subsection  
19 (e-5) shall authorize its holder to conduct riverboat  
20 gambling either on the Rock River in Winnebago County or on  
21 Lake Michigan in Lake County.

22 Licenses authorized under this subsection (e-5) shall be  
23 awarded pursuant to a process of competitive bidding to the  
24 highest bidder that is eligible to hold an owners license under  
25 this Act. The minimum bid for an owners license under this  
26 subsection (e-5) is \$350,000,000.

1        (e-10) In addition to any other revocation powers granted  
2 to the Board under this Act, the Board may revoke the owners  
3 license of a licensee which fails to begin conducting gambling  
4 within 15 months of receipt of the Board's approval of the  
5 application if the Board determines that license revocation is  
6 in the best interests of the State.

7        (f) The ~~first 10 owners~~ licenses issued under this Act  
8 shall permit the holder to own up to 2 riverboats and equipment  
9 thereon for a period of 3 years after the effective date of the  
10 license. Holders of the first 10 owners licenses must pay the  
11 annual license fee for each of the 3 years during which they  
12 are authorized to own riverboats.

13        (g) Upon the termination, expiration, or revocation of each  
14 owners license ~~of the first 10 licenses~~, which shall be issued  
15 for a 3 year period, the license is ~~all licenses are~~ renewable  
16 annually upon payment of the fee and a determination by the  
17 Board that the licensee continues to meet all of the  
18 requirements of this Act and the Board's rules. However, for  
19 licenses renewed on or after May 1, 1998, renewal shall be for  
20 a period of 4 years, unless the Board sets a shorter period.

21        (h) An owners license shall entitle the licensee to own up  
22 to 2 riverboats. A licensee shall limit the number of gambling  
23 participants to 1,200 for any such owners license. A licensee  
24 may operate both of its riverboats concurrently, provided that  
25 the total number of gambling participants on both riverboats  
26 does not exceed 1,200. Riverboats licensed to operate on the

1 Mississippi River and the Illinois River south of Marshall  
2 County shall have an authorized capacity of at least 500  
3 persons. Any other riverboat licensed under this Act shall have  
4 an authorized capacity of at least 400 persons.

5 (i) A licensed owner is authorized to apply to the Board  
6 for and, if approved therefor, to receive all licenses from the  
7 Board necessary for the operation of a riverboat, including a  
8 liquor license, a license to prepare and serve food for human  
9 consumption, and other necessary licenses. All use, occupation  
10 and excise taxes which apply to the sale of food and beverages  
11 in this State and all taxes imposed on the sale or use of  
12 tangible personal property apply to such sales aboard the  
13 riverboat.

14 (j) The Board may issue or re-issue a license authorizing a  
15 riverboat to dock in a municipality or approve a relocation  
16 under Section 11.2 only if, prior to the issuance or  
17 re-issuance of the license or approval, the governing body of  
18 the municipality in which the riverboat will dock has by a  
19 majority vote approved the docking of riverboats in the  
20 municipality. The Board may issue or re-issue a license  
21 authorizing a riverboat to dock in areas of a county outside  
22 any municipality or approve a relocation under Section 11.2  
23 only if, prior to the issuance or re-issuance of the license or  
24 approval, the governing body of the county has by a majority  
25 vote approved of the docking of riverboats within such areas.

26 (Source: P.A. 93-28, eff. 6-20-03; 93-453, eff. 8-7-03; 94-667,

1 eff. 8-23-05; 94-804, eff. 5-26-06.)

2 (230 ILCS 10/7.1)

3 Sec. 7.1. Re-issuance of revoked or non-renewed owners  
4 licenses.

5 (a) If an owners license terminates or expires without  
6 renewal or the Board revokes or determines not to renew an  
7 owners license (including, without limitation, an owners  
8 license for a licensee that was not conducting riverboat  
9 gambling operations on January 1, 1998) and that revocation or  
10 determination is final, the Board may re-issue such license to  
11 a qualified applicant pursuant to an open and competitive  
12 bidding process, as set forth in Section 7.5, and subject to  
13 the maximum number of authorized licenses set forth in  
14 subsections (e) and (e-5) of Section 7 ~~Section 7(e)~~.

15 (b) To be a qualified applicant, a person, firm, or  
16 corporation cannot be ineligible to receive an owners license  
17 under Section 7(a) and must submit an application for an owners  
18 license that complies with Section 6. Each such applicant must  
19 also submit evidence to the Board that minority persons and  
20 females hold ownership interests in the applicant of at least  
21 16% and 4% respectively.

22 (c) Notwithstanding anything to the contrary in Section  
23 7(e), an applicant may apply to the Board for approval of  
24 relocation of a re-issued license to a new home dock location  
25 authorized under Section 3(c) upon receipt of the approval from

1 the municipality or county, as the case may be, pursuant to  
2 Section 7(j).

3 (d) In determining whether to grant a re-issued owners  
4 license to an applicant, the Board shall consider all of the  
5 factors set forth in subsection (b), (e), or (e-5) of Section  
6 7, whichever is applicable, Sections 7(b) and (e) as well as  
7 the amount of the applicant's license bid. The Board may grant  
8 the re-issued owners license to an applicant that has not  
9 submitted the highest license bid, but if it does not select  
10 the highest bidder, the Board shall issue a written decision  
11 explaining why another applicant was selected and identifying  
12 the factors set forth in subsection (b), (e), or (e-5) of  
13 Section 7, whichever is applicable, Sections 7(b) and (e) that  
14 favored the winning bidder.

15 (e) Re-issued owners licenses shall be subject to annual  
16 license fees as provided for in Section 7(a) and shall be  
17 governed by the provisions of Sections 7(f), (g), (h), and (i).  
18 (Source: P.A. 93-28, eff. 6-20-03.)

19 (230 ILCS 10/7.6 new)

20 Sec. 7.6. Electronic gaming.

21 (a) The General Assembly finds that the horse racing and  
22 riverboat gambling industries share many similarities and  
23 collectively comprise the bulk of the State's gaming industry.  
24 One feature common to both industries is that each is highly  
25 regulated by the State of Illinois.

1       The General Assembly further finds, however, that despite  
2 their shared features each industry is distinct from the other  
3 in that horse racing is and continues to be intimately tied to  
4 Illinois' agricultural economy and is, at its core, a spectator  
5 sport. This distinction requires the General Assembly to  
6 utilize different methods to regulate and promote the horse  
7 racing industry throughout the State.

8       The General Assembly finds that in order to promote live  
9 horse racing as a spectator sport in Illinois and the  
10 agricultural economy of this State, it is necessary to allow  
11 electronic gaming at Illinois race tracks as an ancillary use  
12 given the success of other states in increasing live racing  
13 purse accounts and improving the quality of horses  
14 participating in horse race meetings.

15       The General Assembly finds, however, that even though the  
16 authority to conduct electronic gaming is a uniform means to  
17 improve live horse racing in this State, electronic gaming must  
18 be regulated and implemented differently in southern Illinois  
19 versus the Chicago area. The General Assembly finds that  
20 Fairmount Park is the only race track operating on a year round  
21 basis in southern Illinois that offers live racing and for that  
22 matter only conducts live thoroughbred racing. The General  
23 Assembly finds that the current state of affairs deprives  
24 spectators and standardbred horsemen residing in southern  
25 Illinois of the opportunity to participate in live standardbred  
26 racing in a manner similar to spectators, thoroughbred

1 horsemen, and standardbred horsemen residing in the Chicago  
2 area. The General Assembly declares that southern Illinois  
3 spectators and standardbred horsemen should have a similar  
4 opportunity to participate in live standardbred racing as  
5 spectators and standardbred horsemen in the Chicago area. The  
6 General Assembly declares that in order to remove this  
7 disparity between southern Illinois and the Chicago area, it is  
8 necessary for the State to regulate Fairmount Park differently  
9 from horse race tracks found in the Chicago area and tie  
10 Fairmount Park's authorization to conduct electronic gaming to  
11 a commitment to conduct at least 50 days of standardbred racing  
12 as set forth in subsection (d) of this Section. The General  
13 Assembly finds that standardbred racing provides an important  
14 economic benefit to the State.

15 (b) The Illinois Gaming Board shall award one electronic  
16 gaming license to become effective on or after July 1, 2005 to  
17 each organization licensee under the Illinois Horse Racing Act  
18 of 1975, subject to application and eligibility requirements of  
19 this Section.

20 Within 60 days after the effective date of this amendatory  
21 Act of the 95th General Assembly, an organization licensee may  
22 submit an application for an electronic gaming license if that  
23 organization licensee has conducted the highest number of live  
24 races in calendar year 2004 at the track for which the  
25 organization license is seeking its electronic gaming license.

26 The Board shall determine within 180 days after receiving

1 an application for an electronic gaming license, whether to  
2 grant an electronic gaming license to the organization  
3 licensee. If the Board does not make a determination within 180  
4 days, the Board shall give a written explanation to the  
5 organization licensee as to why it has not reached a  
6 determination and when it reasonably expects to make a  
7 determination.

8 The electronic gaming licensee shall purchase the  
9 electronic gaming positions authorized under this Act within  
10 120 days after receiving its electronic gaming license. If an  
11 electronic gaming licensee is prepared to purchase the  
12 electronic gaming positions, but is temporarily prohibited  
13 from doing so by order of a court of competent jurisdiction or  
14 the Board, then the 120-day period is tolled until a resolution  
15 is reached. If an electronic gaming licensee does purchase  
16 electronic gaming positions within the 120-day period, then the  
17 electronic gaming licensee shall not be estopped from  
18 proceeding to operate or operating electronic gaming  
19 positions, unless otherwise stated by a court of competent  
20 jurisdiction or the Board.

21 An electronic gaming license shall authorize its holder to  
22 conduct electronic gaming at its race track at the following  
23 times:

24 (1) on days when it conducts live racing at the track  
25 where its electronic gaming facility is located, from 8:00  
26 a.m. until 3:00 a.m. on the following day; and

1           (2) on days when it is scheduled to conduct simulcast  
2           wagering on races run in the United States, from 8:00 a.m.  
3           until 3:00 a.m. on the following day.

4           A license to conduct electronic gaming and any renewal of  
5           an electronic gaming license shall authorize electronic gaming  
6           for a period of 4 years. The fee for the issuance or renewal of  
7           an electronic gaming license shall be \$40,000.

8           (b-5) Each time an electronic gaming licensee seeks renewal  
9           of its electronic gaming license, the Illinois Racing Board  
10           shall report to the Illinois Gaming Board regarding the  
11           compliance of the electronic gaming licensee with the Illinois  
12           Horse Racing Act of 1975 and the electronic gaming licensee's  
13           support of live racing. The Illinois Racing Board shall  
14           consider the following factors to determine each licensee's  
15           support of live racing:

16           (1) the increase, if any, in the on-track handle at the  
17           race track where the electronic gaming facility is located  
18           during the electronic gaming license period;

19           (2) the increase, if any, in purses at the racing  
20           facility where the electronic gaming facility is located  
21           during the electronic gaming license period;

22           (3) investments in capital improvements made by the  
23           applicant to the racing facility, excluding electronic  
24           gaming areas.

25           If the Illinois Racing Board determines that an electronic  
26           gaming licensee has not complied with the Illinois Horse Racing

1 Act of 1975 or has substantially failed to support live racing,  
2 then the Illinois Racing Board may recommend that the Illinois  
3 Gaming Board suspend, revoke, or deny the renewal of an  
4 electronic gaming license.

5 The Illinois Gaming Board shall consider the Illinois  
6 Racing Board's report and recommendations in its oversight of  
7 the electronic gaming licensee.

8 (c) To be eligible to conduct electronic gaming, an  
9 organization licensee must (i) obtain an electronic gaming  
10 license, (ii) hold an organization license under the Illinois  
11 Horse Racing Act of 1975, (iii) hold an inter-track wagering  
12 license, (iv) pay a fee of \$25,000 for each position authorized  
13 under this amendatory Act of the 95th General Assembly before  
14 beginning to conduct electronic gaming, (v) apply for at least  
15 the same number of days of thoroughbred racing or standardbred  
16 racing or both, as the case may be, as it was awarded in  
17 calendar year 2005, (vi) meet the requirements of Section 56(a)  
18 of the Illinois Horse Racing Act of 1975, and (vii) meet all  
19 other requirements of this Act that apply to owners licensees.

20 With respect to the live racing requirement described in  
21 this subsection, an organization licensee conducting races at a  
22 track where an electronic gaming facility is located must  
23 conduct the same number of days of thoroughbred or standardbred  
24 racing or both, as the case may be, as it was awarded by the  
25 Board.

26 (d) In addition to the other eligibility requirements of

1 subsection (c), an organization licensee that holds an  
2 electronic gaming license authorizing it to conduct electronic  
3 gaming at Fairmount Park must apply for and conduct at least 50  
4 days of standardbred racing in calendar year 2006 and each  
5 calendar year thereafter.

6 (e) In calendar year 2005, the Board may approve electronic  
7 gaming positions statewide as provided in this Section. The  
8 authority to operate electronic gaming positions under this  
9 Section in calendar year 2005 and each calendar year thereafter  
10 shall be allocated as follows:

11 (1) An organization licensee that had an average daily  
12 amount of wagers placed into mutual pools for races  
13 conducted at that licensee's racetrack in calendar year  
14 2002 of more than \$3,000,000 may operate up to 1,150 gaming  
15 positions at a time.

16 (2) An organization licensee that had an average daily  
17 amount of wagers placed into mutual pools for races  
18 conducted at that licensee's racetrack in calendar year  
19 2002 of more than \$2,000,000 but no more than \$3,000,000  
20 may operate up to 1,000 gaming positions at a time.

21 (3) An organization licensee in Cook County that had an  
22 average daily amount of wagers placed into mutual pools for  
23 races conducted at that licensee's racetrack in calendar  
24 year 2002 of \$2,000,000 or less may operate up to 850  
25 gaming positions at a time.

26 (4) An organization licensee conducting pari-mutuel

1 wagering in calendar year 2002 at a racetrack located in a  
2 county with a population in excess of 230,000 inhabitants  
3 that borders on the Mississippi River may operate up to 500  
4 gaming positions at a time.

5 (5) An organization licensee conducting pari-mutuel  
6 wagering in calendar year 2002 at a racetrack outside of  
7 Cook County, other than an organization licensee described  
8 in paragraph (4), may operate up to 300 gaming positions at  
9 a time.

10 (f) In any calendar year that an organization licensee with  
11 an electronic gaming license conducts fewer races than they  
12 conducted in 2005, the revenues generated by the electronic  
13 gaming licensee from electronic gaming on the days when racing  
14 did not occur will be split evenly between that organization  
15 licensee's purse account and the Racing Industry Worker's Fund.

16 (g) Upon the renewal of an electronic gaming license at  
17 tracks located in counties other than Madison County, if an  
18 electronic gaming licensee had a higher average daily live  
19 on-track racing handle in the term of its previous electronic  
20 gaming license than in 2005, then the number of electronic  
21 gaming positions that the electronic gaming licensee may  
22 operate after its license is renewed shall be increased by a  
23 percentage equal to the percentage increase in average daily  
24 live on-track racing handle during that previous license term  
25 over calendar year 2005, but in no event by more than 10%. If  
26 an electronic gaming licensee had a lower average daily live

1 on-track racing handle in the term of its previous electronic  
2 gaming license than in 2005, then the percentage of gross  
3 gaming receipts due the licensee under subsection (b) of  
4 Section 56 for the new term shall be reduced by a percentage  
5 equal to the percentage decrease in average daily live on-track  
6 racing handle during the previous license term over calendar  
7 year 2005. For the new term, the reduction in an electronic  
8 gaming licensee's percentage of gross gaming receipts shall  
9 result in a corresponding and equal increase in the percentage  
10 of gross gaming receipts paid to purse equity accounts.

11 Upon the renewal of an electronic gaming license at a track  
12 located in Madison County, if an electronic gaming licensee had  
13 a higher average daily live on-track racing handle in the term  
14 of its previous electronic gaming license than in 1999, then  
15 the number of electronic gaming positions that the electronic  
16 gaming licensee may operate after its license is renewed shall  
17 be increased by a percentage equal to the percentage increase  
18 in average daily live on-track racing handle during that  
19 previous license term over calendar year 1999, but in no event  
20 by more than 10%. If an electronic gaming licensee had a lower  
21 average daily live on-track racing handle in the term of its  
22 previous electronic gaming license than in 1999, then the  
23 percentage of gross gaming receipts due the licensee under  
24 subsection (b) of Section 56 for the new term shall be reduced  
25 by a percentage equal to the percentage decrease in average  
26 daily live on-track racing handle during the previous license

1 term over calendar year 1999. For the new term, the reduction  
2 in an electronic gaming licensee's percentage of gross gaming  
3 receipts shall result in a corresponding and equal increase in  
4 the percentage of gross gaming receipts paid to purse equity  
5 accounts.

6 (h) Subject to the approval of the Illinois Gaming Board,  
7 an electronic gaming licensee may make modification or  
8 additions to any existing buildings and structures to comply  
9 with the requirements of this Act. The Illinois Gaming Board  
10 shall make its decision after consulting with the Illinois  
11 Racing Board. In no case, however, shall the Illinois Gaming  
12 Board approve any modification or addition that:

13 (1) is not connected or immediately adjacent to an  
14 existing structure; or

15 (2) alters the grounds of the organizational licensee  
16 such that the act of live racing is an ancillary activity  
17 to electronic gaming.

18 Electronic gaming may take place in existing structures in  
19 accordance with the provisions of this Act and the Illinois  
20 Horse Racing Act of 1975.

21 (i) The Illinois Gaming Board must adopt emergency rules in  
22 accordance with Section 5-45 of the Illinois Administrative  
23 Procedure Act as necessary to ensure compliance with the  
24 provisions of this amendatory Act of the 95th General Assembly  
25 concerning electronic gaming. The adoption of emergency rules  
26 authorized by this subsection (i) shall be deemed to be

1 necessary for the public interest, safety, and welfare.

2 (j) As soon as practical after a request is made by the  
3 Illinois Gaming Board, to minimize duplicate submissions by the  
4 applicant, the Illinois Racing Board must provide information  
5 on an applicant for an electronic gaming license to the  
6 Illinois Gaming Board.

7 (230 ILCS 10/7.7 new)

8 Sec. 7.7. Home rule. The regulation and licensing of  
9 electronic gaming and electronic gaming licensees are  
10 exclusive powers and functions of the State. A home rule unit  
11 may not regulate or license electronic gaming or electronic  
12 gaming licensees. This Section is a denial and limitation of  
13 home rule powers and functions under subsection (h) of Section  
14 6 of Article VII of the Illinois Constitution.

15 (230 ILCS 10/8) (from Ch. 120, par. 2408)

16 Sec. 8. Suppliers licenses.

17 (a) The Board may issue a suppliers license to such  
18 persons, firms or corporations which apply therefor upon the  
19 payment of a non-refundable application fee set by the Board,  
20 upon a determination by the Board that the applicant is  
21 eligible for a suppliers license and upon payment of a \$5,000  
22 annual license fee.

23 (b) The holder of a suppliers license is authorized to sell  
24 or lease, and to contract to sell or lease, gambling equipment

1 and supplies to any licensee involved in the ownership or  
2 management of gambling operations.

3 (c) Gambling supplies and equipment may not be distributed  
4 unless supplies and equipment conform to standards adopted by  
5 rules of the Board.

6 (d) A person, firm or corporation is ineligible to receive  
7 a suppliers license if:

8 (1) the person has been convicted of a felony under the  
9 laws of this State, any other state, or the United States;

10 (2) the person has been convicted of any violation of  
11 Article 28 of the Criminal Code of 1961, or substantially  
12 similar laws of any other jurisdiction;

13 (3) the person has submitted an application for a  
14 license under this Act which contains false information;

15 (4) the person is a member of the Board;

16 (5) the firm or corporation is one in which a person  
17 defined in (1), (2), (3) or (4), is an officer, director or  
18 managerial employee;

19 (6) the firm or corporation employs a person who  
20 participates in the management or operation of riverboat  
21 gambling authorized under this Act;

22 (7) the license of the person, firm or corporation  
23 issued under this Act, or a license to own or operate  
24 gambling facilities in any other jurisdiction, has been  
25 revoked.

26 (e) Any person that supplies any equipment, devices, or

1 supplies to a licensed riverboat gambling operation or  
2 electronic gaming operation must first obtain a suppliers  
3 license. A supplier shall furnish to the Board a list of all  
4 equipment, devices and supplies offered for sale or lease in  
5 connection with gambling games authorized under this Act. A  
6 supplier shall keep books and records for the furnishing of  
7 equipment, devices and supplies to gambling operations  
8 separate and distinct from any other business that the supplier  
9 might operate. A supplier shall file a quarterly return with  
10 the Board listing all sales and leases. A supplier shall  
11 permanently affix its name to all its equipment, devices, and  
12 supplies for gambling operations. Any supplier's equipment,  
13 devices or supplies which are used by any person in an  
14 unauthorized gambling operation shall be forfeited to the  
15 State. A holder of an owners license or an electronic gaming  
16 license ~~licensed owner~~ may own its own equipment, devices and  
17 supplies. Each holder of an owners license or an electronic  
18 gaming license under the Act shall file an annual report  
19 listing its inventories of gambling equipment, devices and  
20 supplies.

21 (f) Any person who knowingly makes a false statement on an  
22 application is guilty of a Class A misdemeanor.

23 (g) Any gambling equipment, devices and supplies provided  
24 by any licensed supplier may either be repaired on the  
25 riverboat or at the electronic gaming facility or removed from  
26 the riverboat or electronic gaming facility to a ~~an on shore~~

1 facility owned by the holder of an owners license or electronic  
2 gaming license for repair.

3 (h) On and after the effective date of this amendatory Act  
4 of the 95th General Assembly, at least 30% of all slot machines  
5 and video games of chance purchased by an owners licensee or  
6 electronic gaming licensee shall be purchased from  
7 manufacturers whose manufacturing facilities are located in  
8 Illinois. The Board shall review the availability of such slot  
9 machines and video games of chance and shall have the  
10 discretion to raise or lower the minimum percentage of those  
11 slot machines and video games of chance that must be purchased  
12 from suppliers whose manufacturing facilities are located in  
13 Illinois by rule as it sees fit.

14 (Source: P.A. 86-1029; 87-826.)

15 (230 ILCS 10/9) (from Ch. 120, par. 2409)

16 Sec. 9. Occupational licenses.

17 (a) The Board may issue an occupational license to an  
18 applicant upon the payment of a non-refundable fee set by the  
19 Board, upon a determination by the Board that the applicant is  
20 eligible for an occupational license and upon payment of an  
21 annual license fee in an amount to be established. To be  
22 eligible for an occupational license, an applicant must:

23 (1) be at least 21 years of age if the applicant will  
24 perform any function involved in gaming by patrons. Any  
25 applicant seeking an occupational license for a non-gaming

1 function shall be at least 18 years of age;

2 (2) not have been convicted of a felony offense, a  
3 violation of Article 28 of the Criminal Code of 1961, or a  
4 similar statute of any other jurisdiction, or a crime  
5 involving dishonesty or moral turpitude;

6 (3) have demonstrated a level of skill or knowledge  
7 which the Board determines to be necessary in order to  
8 operate gambling aboard a riverboat or at an electronic  
9 gaming facility; and

10 (4) have met standards for the holding of an  
11 occupational license as adopted by rules of the Board. Such  
12 rules shall provide that any person or entity seeking an  
13 occupational license to manage gambling operations  
14 hereunder shall be subject to background inquiries and  
15 further requirements similar to those required of  
16 applicants for an owners license. Furthermore, such rules  
17 shall provide that each such entity shall be permitted to  
18 manage gambling operations for only one licensed owner.

19 (b) Each application for an occupational license shall be  
20 on forms prescribed by the Board and shall contain all  
21 information required by the Board. The applicant shall set  
22 forth in the application: whether he has been issued prior  
23 gambling related licenses; whether he has been licensed in any  
24 other state under any other name, and, if so, such name and his  
25 age; and whether or not a permit or license issued to him in  
26 any other state has been suspended, restricted or revoked, and,

1 if so, for what period of time.

2 (c) Each applicant shall submit with his application, on  
3 forms provided by the Board, 2 sets of his fingerprints. The  
4 Board shall charge each applicant a fee set by the Department  
5 of State Police to defray the costs associated with the search  
6 and classification of fingerprints obtained by the Board with  
7 respect to the applicant's application. These fees shall be  
8 paid into the State Police Services Fund.

9 (d) The Board may in its discretion refuse an occupational  
10 license to any person: (1) who is unqualified to perform the  
11 duties required of such applicant; (2) who fails to disclose or  
12 states falsely any information called for in the application;  
13 (3) who has been found guilty of a violation of this Act or  
14 whose prior gambling related license or application therefor  
15 has been suspended, restricted, revoked or denied for just  
16 cause in any other state; or (4) for any other just cause.

17 (e) The Board may suspend, revoke or restrict any  
18 occupational licensee: (1) for violation of any provision of  
19 this Act; (2) for violation of any of the rules and regulations  
20 of the Board; (3) for any cause which, if known to the Board,  
21 would have disqualified the applicant from receiving such  
22 license; or (4) for default in the payment of any obligation or  
23 debt due to the State of Illinois; or (5) for any other just  
24 cause.

25 (f) A person who knowingly makes a false statement on an  
26 application is guilty of a Class A misdemeanor.

1 (g) Any license issued pursuant to this Section shall be  
2 valid for a period of one year from the date of issuance.

3 (h) Nothing in this Act shall be interpreted to prohibit a  
4 licensed owner or electronic gaming licensee from entering into  
5 an agreement with a school approved under the Private Business  
6 and Vocational Schools Act for the training of any occupational  
7 licensee. Any training offered by such a school shall be in  
8 accordance with a written agreement between the licensed owner  
9 or electronic gaming licensee and the school.

10 (i) Any training provided for occupational licensees may be  
11 conducted either at the site of the gambling facility ~~on the~~  
12 ~~riverboat~~ or at a school with which a licensed owner or  
13 electronic gaming licensee has entered into an agreement  
14 pursuant to subsection (h).

15 (Source: P.A. 86-1029; 87-826.)

16 (230 ILCS 10/11) (from Ch. 120, par. 2411)

17 Sec. 11. Conduct of gambling. Gambling may be conducted by  
18 licensed owners or licensed managers on behalf of the State  
19 aboard riverboats. Gambling may be conducted by electronic  
20 gaming licensees at electronic gaming facilities. Gambling  
21 authorized under this Section shall be subject to the  
22 following standards:

23 (1) A licensee may conduct riverboat gambling  
24 authorized under this Act regardless of whether it conducts  
25 excursion cruises. A licensee may permit the continuous

1 ingress and egress of patrons ~~passengers~~ for the purpose of  
2 gambling.

3 (2) (Blank).

4 (3) Minimum and maximum wagers on games shall be set by  
5 the licensee.

6 (4) Agents of the Board and the Department of State  
7 Police may board and inspect any riverboat or enter and  
8 inspect any portion of an electronic gaming facility at any  
9 time for the purpose of determining whether this Act is  
10 being complied with. Every riverboat, if under way and  
11 being hailed by a law enforcement officer or agent of the  
12 Board, must stop immediately and lay to.

13 (5) Employees of the Board shall have the right to be  
14 present on the riverboat or on adjacent facilities under  
15 the control of the licensee and at the electronic gaming  
16 facility under the control of the electronic gaming  
17 licensee.

18 (6) Gambling equipment and supplies customarily used  
19 in conducting riverboat gambling or electronic gaming must  
20 be purchased or leased only from suppliers licensed for  
21 such purpose under this Act.

22 (7) Persons licensed under this Act shall permit no  
23 form of wagering on gambling games except as permitted by  
24 this Act.

25 (8) Wagers may be received only from a person present  
26 on a licensed riverboat or at an electronic gaming

1       facility. No person present on a licensed riverboat or at  
2       an electronic gaming facility shall place or attempt to  
3       place a wager on behalf of another person who is not  
4       present on the riverboat or at the electronic gaming  
5       facility.

6           (9) Wagering, including electronic gaming, shall not  
7       be conducted with money or other negotiable currency.

8           (10) A person under age 21 shall not be permitted on an  
9       area of a riverboat where gambling is being conducted or at  
10       an electronic gaming facility where gambling is being  
11       conducted, except for a person at least 18 years of age who  
12       is an employee of the riverboat gambling operation or  
13       electronic gaming operation. No employee under age 21 shall  
14       perform any function involved in gambling by the patrons.  
15       No person under age 21 shall be permitted to make a wager  
16       under this Act.

17           (11) Gambling excursion cruises are permitted only  
18       when the waterway for which the riverboat is licensed is  
19       navigable, as determined by the Board in consultation with  
20       the U.S. Army Corps of Engineers. This paragraph (11) does  
21       not limit the ability of a licensee to conduct gambling  
22       authorized under this Act when gambling excursion cruises  
23       are not permitted.

24           (12) All tokens, chips or electronic cards used to make  
25       wagers must be purchased (i) from a licensed owner or  
26       manager either aboard a riverboat or at an onshore facility

1           which has been approved by the Board and which is located  
2           where the riverboat docks or (ii) from an electronic gaming  
3           licensee at the electronic gaming facility. The tokens,  
4           chips or electronic cards may be purchased by means of an  
5           agreement under which the owner or manager extends credit  
6           to the patron. Such tokens, chips or electronic cards may  
7           be used while aboard the riverboat or at the electronic  
8           gaming facility only for the purpose of making wagers on  
9           gambling games.

10           (13) Notwithstanding any other Section of this Act, in  
11           addition to the other licenses authorized under this Act,  
12           the Board may issue special event licenses allowing persons  
13           who are not otherwise licensed to conduct riverboat  
14           gambling to conduct such gambling on a specified date or  
15           series of dates. Riverboat gambling under such a license  
16           may take place on a riverboat not normally used for  
17           riverboat gambling. The Board shall establish standards,  
18           fees and fines for, and limitations upon, such licenses,  
19           which may differ from the standards, fees, fines and  
20           limitations otherwise applicable under this Act. All such  
21           fees shall be deposited into the State Gaming Fund. All  
22           such fines shall be deposited into the Education Assistance  
23           Fund, created by Public Act 86-0018, of the State of  
24           Illinois.

25           (14) In addition to the above, gambling must be  
26           conducted in accordance with all rules adopted by the

1 Board.

2 (Source: P.A. 93-28, eff. 6-20-03.)

3 (230 ILCS 10/11.1) (from Ch. 120, par. 2411.1)

4 Sec. 11.1. Collection of amounts owing under credit  
5 agreements. Notwithstanding any applicable statutory provision  
6 to the contrary, a licensed owner, ~~or~~ manager, or electronic  
7 gaming licensee who extends credit to a riverboat gambling  
8 patron or an electronic gaming patron pursuant to Section 11  
9 (a) (12) of this Act is expressly authorized to institute a  
10 cause of action to collect any amounts due and owing under the  
11 extension of credit, as well as the owner's or manager's costs,  
12 expenses and reasonable attorney's fees incurred in  
13 collection.

14 (Source: P.A. 93-28, eff. 6-20-03.)

15 (230 ILCS 10/12) (from Ch. 120, par. 2412)

16 Sec. 12. Admission tax; fees.

17 (a) A tax is hereby imposed upon admissions to riverboats  
18 operated by licensed owners authorized pursuant to this Act.  
19 Until July 1, 2002, the rate is \$2 per person admitted. From  
20 July 1, 2002 until July 1, 2003, the rate is \$3 per person  
21 admitted. From July 1, 2003 until the effective date of this  
22 amendatory Act of the 94th General Assembly, for a licensee  
23 that admitted 1,000,000 persons or fewer in the previous  
24 calendar year, the rate is \$3 per person admitted; for a

1 licensee that admitted more than 1,000,000 but no more than  
2 2,300,000 persons in the previous calendar year, the rate is \$4  
3 per person admitted; and for a licensee that admitted more than  
4 2,300,000 persons in the previous calendar year, the rate is \$5  
5 per person admitted. Beginning on the effective date of this  
6 amendatory Act of the 94th General Assembly, for a licensee  
7 that admitted 1,000,000 persons or fewer in calendar year 2004,  
8 the rate is \$2 per person admitted, and for all other licensees  
9 the rate is \$3 per person admitted. This admission tax is  
10 imposed upon the licensed owner conducting gambling.

11 (1) The admission tax shall be paid for each admission.

12 (2) (Blank).

13 (3) The riverboat licensee may issue tax-free passes to  
14 actual and necessary officials and employees of the  
15 licensee or other persons actually working on the  
16 riverboat.

17 (4) The number and issuance of tax-free passes is  
18 subject to the rules of the Board, and a list of all  
19 persons to whom the tax-free passes are issued shall be  
20 filed with the Board.

21 (a-5) A fee is hereby imposed upon admissions operated by  
22 licensed managers on behalf of the State pursuant to Section  
23 7.3 at the rates provided in this subsection (a-5). For a  
24 licensee that admitted 1,000,000 persons or fewer in the  
25 previous calendar year, the rate is \$3 per person admitted; for  
26 a licensee that admitted more than 1,000,000 but no more than

1 2,300,000 persons in the previous calendar year, the rate is \$4  
2 per person admitted; and for a licensee that admitted more than  
3 2,300,000 persons in the previous calendar year, the rate is \$5  
4 per person admitted.

5 (1) The admission fee shall be paid for each admission.

6 (2) (Blank).

7 (3) The licensed manager may issue fee-free passes to  
8 actual and necessary officials and employees of the manager  
9 or other persons actually working on the riverboat.

10 (4) The number and issuance of fee-free passes is  
11 subject to the rules of the Board, and a list of all  
12 persons to whom the fee-free passes are issued shall be  
13 filed with the Board.

14 (b) From the tax imposed under subsection (a) and the fee  
15 imposed under subsection (a-5), a municipality shall receive  
16 from the State \$1 for each person embarking on a riverboat  
17 docked within the municipality, and a county shall receive \$1  
18 for each person embarking on a riverboat docked within the  
19 county but outside the boundaries of any municipality. The  
20 municipality's or county's share shall be collected by the  
21 Board on behalf of the State and remitted quarterly by the  
22 State, subject to appropriation, to the treasurer of the unit  
23 of local government for deposit in the general fund.

24 (c) The licensed owner shall pay the entire admission tax  
25 to the Board and the licensed manager shall pay the entire  
26 admission fee to the Board. Such payments shall be made daily.

1 Accompanying each payment shall be a return on forms provided  
2 by the Board which shall include other information regarding  
3 admissions as the Board may require. Failure to submit either  
4 the payment or the return within the specified time may result  
5 in suspension or revocation of the owners or managers license.

6 (c-5) In addition to the admission tax imposed under  
7 subsection (a) and the admission fee imposed under subsection  
8 (a-5), a tax is imposed on admissions to electronic gaming  
9 facilities at the rate of \$2 per person for the first 1,500,000  
10 persons admitted by an electronic gaming licensee per year and  
11 \$3 per person for all persons admitted by that licensee in  
12 excess of 1,500,000 per year. The tax is imposed upon the  
13 electronic gaming licensee.

14 (1) The admission tax shall be paid for each admission,  
15 except that a person who exits an electronic gaming  
16 facility and reenters that electronic gaming facility  
17 within the same gaming day, as the term "gaming day" is  
18 defined by the Board by rule, shall be subject only to the  
19 initial admission tax. The Board shall establish, by rule,  
20 a procedure to determine whether a person admitted to an  
21 electronic gaming facility has paid the admission tax.

22 (2) An electronic gaming licensee may issue tax-free  
23 passes to actual and necessary officials and employees of  
24 the licensee and other persons associated with electronic  
25 gaming operations.

26 (3) The number and issuance of tax-free passes is

1 subject to the rules of the Board, and a list of all  
2 persons to whom the tax-free passes are issued shall be  
3 filed with the Board.

4 (4) The electronic gaming licensee shall pay the entire  
5 admission tax to the Board. Such payments shall be made  
6 daily. Accompanying each payment shall be a return on forms  
7 provided by the Board, which shall include other  
8 information regarding admission as the Board may require.  
9 Failure to submit either the payment or the return within  
10 the specified time may result in suspension or revocation  
11 of the organization licensee's license.

12 From the tax imposed under this subsection (c-5), the  
13 municipality in which an electronic gaming facility is located  
14 or, if the electronic gaming facility is not located within a  
15 municipality, the county in which the electronic gaming  
16 facility is located shall receive, subject to appropriation, \$1  
17 for each person who enters the electronic gaming facility. For  
18 each admission to the electronic gaming facility in excess of  
19 1,500,000 in a year, from the tax imposed under this subsection  
20 (c-5), the county in which the electronic gaming facility is  
21 located shall receive, subject to appropriation, \$0.30, which  
22 shall be in addition to any other moneys paid to the county  
23 under this Section and \$0.20 shall be paid into the  
24 Agricultural Premium Fund.

25 (d) The Board shall administer and collect the admission  
26 tax imposed by this Section, to the extent practicable, in a

1 manner consistent with the provisions of Sections 4, 5, 5a, 5b,  
2 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the  
3 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
4 Penalty and Interest Act.

5 (Source: P.A. 93-27, eff. 6-20-03; 93-28, eff. 6-20-03; 94-673,  
6 eff. 8-23-05.)

7 (230 ILCS 10/13) (from Ch. 120, par. 2413)

8 Sec. 13. Wagering tax; rate; distribution.

9 (a) Until January 1, 1998, a tax is imposed on the ~~adjusted~~  
10 gross gaming receipts received from gambling games authorized  
11 under this Act at the rate of 20%.

12 (a-1) From January 1, 1998 until July 1, 2002, a privilege  
13 tax is imposed on persons engaged in the business of conducting  
14 riverboat gambling operations, based on the ~~adjusted~~ gross  
15 gaming receipts received by a licensed owner from gambling  
16 games authorized under this Act at the following rates:

17 15% of annual ~~adjusted~~ gross gaming receipts up to and  
18 including \$25,000,000;

19 20% of annual ~~adjusted~~ gross gaming receipts in excess  
20 of \$25,000,000 but not exceeding \$50,000,000;

21 25% of annual ~~adjusted~~ gross gaming receipts in excess  
22 of \$50,000,000 but not exceeding \$75,000,000;

23 30% of annual ~~adjusted~~ gross gaming receipts in excess  
24 of \$75,000,000 but not exceeding \$100,000,000;

25 35% of annual ~~adjusted~~ gross gaming receipts in excess

1 of \$100,000,000.

2 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax  
3 is imposed on persons engaged in the business of conducting  
4 riverboat gambling operations, other than licensed managers  
5 conducting riverboat gambling operations on behalf of the  
6 State, based on the ~~adjusted~~ gross gaming receipts received by  
7 a licensed owner from gambling games authorized under this Act  
8 at the following rates:

9 15% of annual ~~adjusted~~ gross gaming receipts up to and  
10 including \$25,000,000;

11 22.5% of annual ~~adjusted~~ gross gaming receipts in  
12 excess of \$25,000,000 but not exceeding \$50,000,000;

13 27.5% of annual ~~adjusted~~ gross gaming receipts in  
14 excess of \$50,000,000 but not exceeding \$75,000,000;

15 32.5% of annual ~~adjusted~~ gross gaming receipts in  
16 excess of \$75,000,000 but not exceeding \$100,000,000;

17 37.5% of annual ~~adjusted~~ gross gaming receipts in  
18 excess of \$100,000,000 but not exceeding \$150,000,000;

19 45% of annual ~~adjusted~~ gross gaming receipts in excess  
20 of \$150,000,000 but not exceeding \$200,000,000;

21 50% of annual ~~adjusted~~ gross gaming receipts in excess  
22 of \$200,000,000.

23 (a-3) Beginning July 1, 2003, a privilege tax is imposed on  
24 persons engaged in the business of conducting riverboat  
25 gambling operations, other than licensed managers conducting  
26 riverboat gambling operations on behalf of the State, based on

1 the ~~adjusted~~ gross gaming receipts received by a licensed owner  
2 from gambling games authorized under this Act at the following  
3 rates:

4 15% of annual ~~adjusted~~ gross gaming receipts up to and  
5 including \$25,000,000;

6 27.5% of annual ~~adjusted~~ gross gaming receipts in  
7 excess of \$25,000,000 but not exceeding \$37,500,000;

8 32.5% of annual ~~adjusted~~ gross gaming receipts in  
9 excess of \$37,500,000 but not exceeding \$50,000,000;

10 37.5% of annual ~~adjusted~~ gross gaming receipts in  
11 excess of \$50,000,000 but not exceeding \$75,000,000;

12 45% of annual ~~adjusted~~ gross gaming receipts in excess  
13 of \$75,000,000 but not exceeding \$100,000,000;

14 50% of annual ~~adjusted~~ gross gaming receipts in excess  
15 of \$100,000,000 but not exceeding \$250,000,000;

16 70% of annual ~~adjusted~~ gross gaming receipts in excess  
17 of \$250,000,000.

18 An amount equal to the amount of wagering taxes collected  
19 under this subsection (a-3) that are in addition to the amount  
20 of wagering taxes that would have been collected if the  
21 wagering tax rates under subsection (a-2) were in effect shall  
22 be paid into the Common School Fund.

23 The privilege tax imposed under this subsection (a-3) shall  
24 no longer be imposed beginning on the earlier of (i) July 1,  
25 2005; (ii) the first date after June 20, 2003 that riverboat  
26 gambling operations are conducted pursuant to a dormant

1 license; or (iii) the first day that riverboat gambling  
2 operations are conducted under the authority of an owners  
3 license that is in addition to the 10 owners licenses initially  
4 authorized under this Act. For the purposes of this subsection  
5 (a-3), the term "dormant license" means an owners license that  
6 is authorized by this Act under which no riverboat gambling  
7 operations are being conducted on June 20, 2003.

8 (a-4) Beginning on the first day on which the tax imposed  
9 under subsection (a-3) is no longer imposed, a privilege tax is  
10 imposed on persons engaged in the business of conducting  
11 riverboat gambling operations, other than licensed managers  
12 conducting riverboat gambling operations on behalf of the  
13 State, based on the ~~adjusted~~ gross gaming receipts received by  
14 a licensed owner from gambling games authorized under this Act  
15 at the following rates:

16 15% of annual ~~adjusted~~ gross gaming receipts up to and  
17 including \$25,000,000;

18 22.5% of annual ~~adjusted~~ gross gaming receipts in  
19 excess of \$25,000,000 but not exceeding \$50,000,000;

20 27.5% of annual ~~adjusted~~ gross gaming receipts in  
21 excess of \$50,000,000 but not exceeding \$75,000,000;

22 32.5% of annual ~~adjusted~~ gross gaming receipts in  
23 excess of \$75,000,000 but not exceeding \$100,000,000;

24 37.5% of annual ~~adjusted~~ gross gaming receipts in  
25 excess of \$100,000,000 but not exceeding \$150,000,000;

26 45% of annual ~~adjusted~~ gross gaming receipts in excess

1 of \$150,000,000 but not exceeding \$200,000,000;

2 50% of annual ~~adjusted~~ gross gaming receipts in excess  
3 of \$200,000,000.

4 (a-5) Beginning on the effective date of this amendatory  
5 Act of the 95th General Assembly, a privilege tax is imposed on  
6 persons conducting electronic gaming, based on the gross gaming  
7 receipts received by an electronic gaming licensee from  
8 electronic gaming authorized under this Act at the following  
9 rates:

10 15% of annual gross gaming receipts up to and including  
11 \$25,000,000;

12 22.5% of annual gross gaming receipts in excess of  
13 \$25,000,000 but not exceeding \$50,000,000;

14 27.5% of annual gross gaming receipts in excess of  
15 \$50,000,000 but not exceeding \$75,000,000;

16 32.5% of annual gross gaming receipts in excess of  
17 \$75,000,000 but not exceeding \$100,000,000;

18 37.5% of annual gross gaming receipts in excess of  
19 \$100,000,000 but not exceeding \$150,000,000;

20 45% of annual gross gaming receipts in excess of  
21 \$150,000,000 but not exceeding \$200,000,000;

22 50% of annual gross gaming receipts in excess of  
23 \$200,000,000.

24 (a-8) Riverboat gambling operations conducted by a  
25 licensed manager on behalf of the State are not subject to the  
26 tax imposed under this Section.

1 (a-10) The taxes imposed by this Section shall be paid by  
2 the licensed owner or the electronic gaming licensee to the  
3 Board not later than 5:00 o'clock p.m. ~~3:00 o'clock p.m.~~ of the  
4 day after the day when the wagers were made.

5 (a-15) If the privilege tax imposed under subsection (a-3)  
6 is no longer imposed pursuant to item (i) of the last paragraph  
7 of subsection (a-3), then by June 15 of each year, each owners  
8 licensee, other than an owners licensee that admitted 1,000,000  
9 persons or fewer in calendar year 2004, must, in addition to  
10 the payment of all amounts otherwise due under this Section,  
11 pay to the Board a reconciliation payment in the amount, if  
12 any, by which the licensed owner's base amount exceeds the  
13 amount of net privilege tax paid by the licensed owner to the  
14 Board in the then current State fiscal year. A licensed owner's  
15 net privilege tax obligation due for the balance of the State  
16 fiscal year shall be reduced up to the total of the amount paid  
17 by the licensed owner in its June 15 reconciliation payment.  
18 The obligation imposed by this subsection (a-15) is binding on  
19 any person, firm, corporation, or other entity that acquires an  
20 ownership interest in any such owners license. The obligation  
21 imposed under this subsection (a-15) terminates on the earliest  
22 of: (i) July 1, 2007, (ii) the first day after the effective  
23 date of this amendatory Act of the 94th General Assembly that  
24 riverboat gambling operations are conducted pursuant to a  
25 dormant license, (iii) the first day that riverboat gambling  
26 operations are conducted under the authority of an owners

1 license that is in addition to the 10 owners licenses initially  
2 authorized under this Act, or (iv) the first day that a  
3 licensee under the Illinois Horse Racing Act of 1975 conducts  
4 gaming operations with slot machines or other electronic gaming  
5 devices. The Board must reduce the obligation imposed under  
6 this subsection (a-15) by an amount the Board deems reasonable  
7 for any of the following reasons: (A) an act or acts of God,  
8 (B) an act of bioterrorism or terrorism or a bioterrorism or  
9 terrorism threat that was investigated by a law enforcement  
10 agency, or (C) a condition beyond the control of the owners  
11 licensee that does not result from any act or omission by the  
12 owners licensee or any of its agents and that poses a hazardous  
13 threat to the health and safety of patrons. If an owners  
14 licensee pays an amount in excess of its liability under this  
15 Section, the Board shall apply the overpayment to future  
16 payments required under this Section.

17 For purposes of this subsection (a-15):

18 "Act of God" means an incident caused by the operation of  
19 an extraordinary force that cannot be foreseen, that cannot be  
20 avoided by the exercise of due care, and for which no person  
21 can be held liable.

22 "Base amount" means the following:

23 For a riverboat in Alton, \$31,000,000.

24 For a riverboat in East Peoria, \$43,000,000.

25 For the Empress riverboat in Joliet, \$86,000,000.

26 For a riverboat in Metropolis, \$45,000,000.

1 For the Harrah's riverboat in Joliet, \$114,000,000.

2 For a riverboat in Aurora, \$86,000,000.

3 For a riverboat in East St. Louis, \$48,500,000.

4 For a riverboat in Elgin, \$198,000,000.

5 "Dormant license" has the meaning ascribed to it in  
6 subsection (a-3).

7 "Net privilege tax" means all privilege taxes paid by a  
8 licensed owner to the Board under this Section, less all  
9 payments made from the State Gaming Fund pursuant to subsection  
10 (b) of this Section.

11 The changes made to this subsection (a-15) by Public Act  
12 94-839 ~~this amendatory Act of the 94th General Assembly~~ are  
13 intended to restate and clarify the intent of Public Act 94-673  
14 with respect to the amount of the payments required to be made  
15 under this subsection by an owners licensee to the Board.

16 (b) Until January 1, 1998, 25% of the tax revenue deposited  
17 in the State Gaming Fund under this Section shall be paid,  
18 subject to appropriation by the General Assembly, to the unit  
19 of local government which is designated as the home dock of the  
20 riverboat. Beginning January 1, 1998, from the tax revenue  
21 deposited in the State Gaming Fund under this Section, an  
22 amount equal to 5% of ~~adjusted~~ gross gaming receipts generated  
23 by a riverboat shall be paid monthly, subject to appropriation  
24 by the General Assembly, to the unit of local government that  
25 is designated as the home dock of the riverboat. From the tax  
26 revenue deposited in the State Gaming Fund pursuant to

1 riverboat gambling operations conducted by a licensed manager  
2 on behalf of the State, an amount equal to 5% of ~~adjusted~~ gross  
3 gaming receipts generated pursuant to those riverboat gambling  
4 operations shall be paid monthly, subject to appropriation by  
5 the General Assembly, to the unit of local government that is  
6 designated as the home dock of the riverboat upon which those  
7 riverboat gambling operations are conducted.

8 (b-5) An amount equal to 2% of the gross gaming receipts  
9 generated by licenses authorized by subsection (e-5) of Section  
10 7, shall be transferred monthly from the State Gaming Fund to  
11 the Depressed Communities Economic Development Fund, which is  
12 created in the State treasury. The Department of Commerce and  
13 Economic Opportunity shall administer the Fund and use moneys  
14 collected to promote economic growth and development in  
15 Illinois' depressed communities.

16 (c) Appropriations, as approved by the General Assembly,  
17 may be made from the State Gaming Fund to the Department of  
18 Revenue and the Department of State Police for the  
19 administration and enforcement of this Act, or to the  
20 Department of Human Services for the administration of programs  
21 to treat problem gambling.

22 (c-5) (Blank). ~~Before the effective date of this amendatory~~  
23 ~~Act of the 94th General Assembly and beginning 2 years after~~  
24 ~~the effective date of this amendatory Act of the 94th General~~  
25 ~~Assembly, after the payments required under subsections (b) and~~  
26 ~~(c) have been made, an amount equal to 15% of the adjusted~~

1 ~~gross receipts of (1) an owners licensee that relocates~~  
2 ~~pursuant to Section 11.2, (2) an owners licensee conducting~~  
3 ~~riverboat gambling operations pursuant to an owners license~~  
4 ~~that is initially issued after June 25, 1999, or (3) the first~~  
5 ~~riverboat gambling operations conducted by a licensed manager~~  
6 ~~on behalf of the State under Section 7.3, whichever comes~~  
7 ~~first, shall be paid from the State Gaming Fund into the Horse~~  
8 ~~Racing Equity Fund.~~

9 (c-10) (Blank). ~~Each year the General Assembly shall~~  
10 ~~appropriate from the General Revenue Fund to the Education~~  
11 ~~Assistance Fund an amount equal to the amount paid into the~~  
12 ~~Horse Racing Equity Fund pursuant to subsection (c-5) in the~~  
13 ~~prior calendar year.~~

14 (c-15) After the payments required under subsections (b), (b-5), ~~and (c)~~, and ~~(c-5)~~ have been made, an amount equal to  
15 2% of the ~~adjusted~~ gross gaming receipts of (1) an owners  
16 licensee that relocates pursuant to Section 11.2, (2) an owners  
17 licensee conducting riverboat gambling operations pursuant to  
18 an owners license that is initially issued after June 25, 1999,  
19 or (3) the first riverboat gambling operations conducted by a  
20 licensed manager on behalf of the State under Section 7.3,  
21 whichever comes first, shall be paid, subject to appropriation  
22 from the General Assembly, from the State Gaming Fund to each  
23 home rule county with a population of over 3,000,000  
24 inhabitants for the purpose of enhancing the county's criminal  
25 justice system.  
26

1 (c-20) Each year the General Assembly shall appropriate  
2 from the General Revenue Fund to the Education Assistance Fund  
3 an amount equal to the amount paid to each home rule county  
4 with a population of over 3,000,000 inhabitants pursuant to  
5 subsection (c-15) in the prior calendar year.

6 (c-25) After the payments required under subsections (b),  
7 (b-5), (c), ~~(c-5)~~ and (c-15) have been made, an amount equal to  
8 2% of the ~~adjusted~~ gross gaming receipts of (1) an owners  
9 licensee that relocates pursuant to Section 11.2, (2) an owners  
10 licensee conducting riverboat gambling operations pursuant to  
11 an owners license that is initially issued after June 25, 1999,  
12 or (3) the first riverboat gambling operations conducted by a  
13 licensed manager on behalf of the State under Section 7.3,  
14 whichever comes first, shall be paid from the State Gaming Fund  
15 to Chicago State University.

16 (c-30) After the payments required under subsections (b),  
17 (b-5), (c), (c-15), and (c-25) have been made, an amount equal  
18 to 0.93% of the gross gaming receipts from electronic gaming,  
19 but in no case more than \$7,500,000 per year, shall be reserved  
20 for the Board and may be used by the Board, subject to  
21 appropriation, for the administration and enforcement of this  
22 Act. Moneys reserved for the Board under this subsection (c-30)  
23 shall not be deposited into the Education Assistance Fund.

24 (c-35) After the payments required under subsections (b),  
25 (b-5), (c), (c-15), (c-25), and (c-30) have been made, an  
26 amount equal to 1% of the gross gaming receipts of an owners

1 licensee that docks on the Mississippi River, the Illinois  
2 River, or the Ohio River shall be paid, subject to  
3 appropriation by the General Assembly, from the State Gaming  
4 Fund to qualifying municipalities within 50 miles of the home  
5 dock of the riverboat. The amount paid under this subsection  
6 (c-35) to each qualifying municipality shall be based on the  
7 proportion that the number of persons living at or below the  
8 poverty level in the qualifying municipality bears to the total  
9 number of persons living at or below the poverty level in  
10 qualifying municipalities that are within 50 miles of the  
11 owners licensee's home dock. If 2 or more owners licensees that  
12 dock on the Mississippi River, the Illinois River, or the Ohio  
13 River are within 50 miles of each other, payments required  
14 under this subsection (c-35) from the gross gaming receipts of  
15 those owners licensees shall be commingled and paid to  
16 qualifying municipalities that are within 50 miles of at least  
17 one of those owners licensee's home docks. For the purposes of  
18 this subsection (c-35), the term "qualifying municipality"  
19 means a municipality, other than a municipality in which a  
20 riverboat docks, in which the poverty rate as determined by  
21 using the most recent data released by the United States Census  
22 Bureau is at least 3% greater than the State poverty rate as  
23 determined by using the most recent data released by the United  
24 States Census Bureau.

25 (d) From time to time, the Board shall transfer the  
26 remainder of the funds generated by this Act into the Education

1 Assistance Fund, created by Public Act 86-0018, of the State of  
2 Illinois.

3 (e) Nothing in this Act shall prohibit the unit of local  
4 government designated as the home dock of the riverboat from  
5 entering into agreements with other units of local government  
6 in this State or in other states to share its portion of the  
7 tax revenue.

8 (f) To the extent practicable, the Board shall administer  
9 and collect the wagering taxes imposed by this Section in a  
10 manner consistent with the provisions of Sections 4, 5, 5a, 5b,  
11 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the  
12 Retailers' Occupation Tax Act and Section 3-7 of the Uniform  
13 Penalty and Interest Act.

14 (Source: P.A. 93-27, eff. 6-20-03; 93-28, eff. 6-20-03; 94-673,  
15 eff. 8-23-05; 94-804, eff. 5-26-06; 94-839, eff. 6-6-06;  
16 revised 8-3-06.)

17 (230 ILCS 10/14) (from Ch. 120, par. 2414)

18 Sec. 14. Licensees - Records - Reports - Supervision.

19 (a) ~~A~~ Licensed owners and electronic gaming licensees ~~owner~~  
20 shall keep their ~~his~~ books and records so as to clearly show  
21 the following:

22 (1) The amount received daily from admission fees.

23 (2) The total amount of whole gaming ~~gross~~ receipts.

24 (3) The total amount of the ~~adjusted~~ gross gaming receipts.

25 (b) ~~The~~ Licensed owners and electronic gaming licensees

1 ~~owner~~ shall furnish to the Board reports and information as the  
2 Board may require with respect to its activities on forms  
3 designed and supplied for such purpose by the Board.

4 (c) The books and records kept by a licensed owner or  
5 electronic gaming licensee as provided by this Section are  
6 public records and the examination, publication, and  
7 dissemination of the books and records are governed by the  
8 provisions of The Freedom of Information Act.

9 (Source: P.A. 86-1029.)

10 (230 ILCS 10/18) (from Ch. 120, par. 2418)

11 Sec. 18. Prohibited Activities - Penalty.

12 (a) A person is guilty of a Class A misdemeanor for doing  
13 any of the following:

14 (1) Conducting gambling where wagering is used or to be  
15 used without a license issued by the Board.

16 (2) Conducting gambling where wagering is permitted  
17 other than in the manner specified by Section 11.

18 (b) A person is guilty of a Class B misdemeanor for doing  
19 any of the following:

20 (1) permitting a person under 21 years to make a wager;

21 or

22 (2) violating paragraph (12) of subsection (a) of  
23 Section 11 of this Act.

24 (c) A person wagering or accepting a wager at any location  
25 outside the riverboat or electronic gaming facility in

1 ~~violation of paragraph is subject to the penalties in~~  
2 ~~paragraphs~~ (1) or (2) of subsection (a) of Section 28-1 of the  
3 Criminal Code of 1961 is subject to the penalties provided in  
4 that Section.

5 (d) A person commits a Class 4 felony and, in addition,  
6 shall be barred for life from gambling operations ~~riverboats~~  
7 under the jurisdiction of the Board, if the person does any of  
8 the following:

9 (1) Offers, promises, or gives anything of value or  
10 benefit to a person who is connected with a riverboat owner  
11 or electronic gaming licensee including, but not limited  
12 to, an officer or employee of a licensed owner or  
13 electronic gaming licensee or holder of an occupational  
14 license pursuant to an agreement or arrangement or with the  
15 intent that the promise or thing of value or benefit will  
16 influence the actions of the person to whom the offer,  
17 promise, or gift was made in order to affect or attempt to  
18 affect the outcome of a gambling game, or to influence  
19 official action of a member of the Board.

20 (2) Solicits or knowingly accepts or receives a promise  
21 of anything of value or benefit while the person is  
22 connected with a riverboat or electronic gaming facility,  
23 including, but not limited to, an officer or employee of a  
24 licensed owner or electronic gaming licensee, or the holder  
25 of an occupational license, pursuant to an understanding or  
26 arrangement or with the intent that the promise or thing of

1 value or benefit will influence the actions of the person  
2 to affect or attempt to affect the outcome of a gambling  
3 game, or to influence official action of a member of the  
4 Board.

5 (3) Uses or possesses with the intent to use a device  
6 to assist:

7 (i) In projecting the outcome of the game.

8 (ii) In keeping track of the cards played.

9 (iii) In analyzing the probability of the  
10 occurrence of an event relating to the gambling game.

11 (iv) In analyzing the strategy for playing or  
12 betting to be used in the game except as permitted by  
13 the Board.

14 (4) Cheats at a gambling game.

15 (5) Manufactures, sells, or distributes any cards,  
16 chips, dice, game or device which is intended to be used to  
17 violate any provision of this Act.

18 (6) Alters or misrepresents the outcome of a gambling  
19 game on which wagers have been made after the outcome is  
20 made sure but before it is revealed to the players.

21 (7) Places a bet after acquiring knowledge, not  
22 available to all players, of the outcome of the gambling  
23 game which is subject of the bet or to aid a person in  
24 acquiring the knowledge for the purpose of placing a bet  
25 contingent on that outcome.

26 (8) Claims, collects, or takes, or attempts to claim,

1 collect, or take, money or anything of value in or from the  
2 gambling games, with intent to defraud, without having made  
3 a wager contingent on winning a gambling game, or claims,  
4 collects, or takes an amount of money or thing of value of  
5 greater value than the amount won.

6 (9) Uses counterfeit chips or tokens in a gambling  
7 game.

8 (10) Possesses any key or device designed for the  
9 purpose of opening, entering, or affecting the operation of  
10 a gambling game, drop box, or an electronic or mechanical  
11 device connected with the gambling game or for removing  
12 coins, tokens, chips or other contents of a gambling game.  
13 This paragraph (10) does not apply to a gambling licensee  
14 or employee of a gambling licensee acting in furtherance of  
15 the employee's employment.

16 (e) The possession of more than one of the devices  
17 described in subsection (d), paragraphs (3), (5) or (10)  
18 permits a rebuttable presumption that the possessor intended to  
19 use the devices for cheating.

20 An action to prosecute any crime occurring on a riverboat  
21 shall be tried in the county of the dock at which the riverboat  
22 is based.

23 (Source: P.A. 91-40, eff. 6-25-99.)

24 (230 ILCS 10/19) (from Ch. 120, par. 2419)

25 Sec. 19. Forfeiture of property.

1           (a) Except as provided in subsection (b), any riverboat or  
2 electronic gaming facility used for the conduct of gambling  
3 games in violation of this Act shall be considered a gambling  
4 place in violation of Section 28-3 of the Criminal Code of  
5 1961, as now or hereafter amended. Every gambling device found  
6 on a riverboat or at an electronic gaming facility operating  
7 gambling games in violation of this Act and every slot machine  
8 and video game of chance found at an electronic gaming facility  
9 operating gambling games in violation of this Act shall be  
10 subject to seizure, confiscation and destruction as provided in  
11 Section 28-5 of the Criminal Code of 1961, as now or hereafter  
12 amended.

13           (b) It is not a violation of this Act for a riverboat or  
14 other watercraft which is licensed for gaming by a contiguous  
15 state to dock on the shores of this State if the municipality  
16 having jurisdiction of the shores, or the county in the case of  
17 unincorporated areas, has granted permission for docking and no  
18 gaming is conducted on the riverboat or other watercraft while  
19 it is docked on the shores of this State. No gambling device  
20 shall be subject to seizure, confiscation or destruction if the  
21 gambling device is located on a riverboat or other watercraft  
22 which is licensed for gaming by a contiguous state and which is  
23 docked on the shores of this State if the municipality having  
24 jurisdiction of the shores, or the county in the case of  
25 unincorporated areas, has granted permission for docking and no  
26 gaming is conducted on the riverboat or other watercraft while

1 it is docked on the shores of this State.

2 (Source: P.A. 86-1029.)

3 (230 ILCS 10/20) (from Ch. 120, par. 2420)

4 Sec. 20. Prohibited activities - civil penalties. Any  
5 person who conducts a gambling operation without first  
6 obtaining a license to do so, or who continues to conduct such  
7 games after revocation of his license, or any licensee who  
8 conducts or allows to be conducted any unauthorized gambling  
9 games on a riverboat or at an electronic gaming facility where  
10 it is authorized to conduct its ~~riverboat~~ gambling operation,  
11 in addition to other penalties provided, shall be subject to a  
12 civil penalty equal to the amount of whole gaming ~~gross~~  
13 receipts derived from wagering on the gambling games, whether  
14 unauthorized or authorized, conducted on that day as well as  
15 confiscation and forfeiture of all gambling game equipment used  
16 in the conduct of unauthorized gambling games.

17 (Source: P.A. 86-1029.)

18 (230 ILCS 10/23) (from Ch. 120, par. 2423)

19 Sec. 23. The State Gaming Fund. On or after the effective  
20 date of this Act, except as provided for payments into the  
21 Horse Racing Equity Trust Fund under subsection (a) of Section  
22 7, all of the fees and taxes collected pursuant to this Act  
23 shall be deposited into the State Gaming Fund, a special fund  
24 in the State Treasury, which is hereby created. The ~~adjusted~~

1 gross gaming receipts of any riverboat gambling operations  
2 conducted by a licensed manager on behalf of the State  
3 remaining after the payment of the fees and expenses of the  
4 licensed manager shall be deposited into the State Gaming Fund.  
5 Fines and penalties collected pursuant to this Act shall be  
6 deposited into the Education Assistance Fund, created by Public  
7 Act 86-0018, of the State of Illinois.

8 (Source: P.A. 93-28, eff. 6-20-03; 94-804, eff. 5-26-06.)

9 Section 35. The Liquor Control Act of 1934 is amended by  
10 changing Section 6-30 as follows:

11 (235 ILCS 5/6-30) (from Ch. 43, par. 144f)

12 Sec. 6-30. Notwithstanding any other provision of this Act,  
13 the Illinois Gaming Board shall have exclusive authority to  
14 establish the hours for sale and consumption of alcoholic  
15 liquor on board a riverboat during riverboat gambling  
16 excursions and in a land-based facility conducted in accordance  
17 with the Riverboat Gambling Act.

18 (Source: P.A. 87-826.)

19 Section 40. The Criminal Code of 1961 is amended by  
20 changing Sections 28-5 and 28-7 as follows:

21 (720 ILCS 5/28-5) (from Ch. 38, par. 28-5)

22 Sec. 28-5. Seizure of gambling devices and gambling funds.

1           (a) Every device designed for gambling which is incapable  
2 of lawful use or every device used unlawfully for gambling  
3 shall be considered a "gambling device", and shall be subject  
4 to seizure, confiscation and destruction by the Department of  
5 State Police or by any municipal, or other local authority,  
6 within whose jurisdiction the same may be found. As used in  
7 this Section, a "gambling device" includes any slot machine,  
8 and includes any machine or device constructed for the  
9 reception of money or other thing of value and so constructed  
10 as to return, or to cause someone to return, on chance to the  
11 player thereof money, property or a right to receive money or  
12 property. With the exception of any device designed for  
13 gambling which is incapable of lawful use, no gambling device  
14 shall be forfeited or destroyed unless an individual with a  
15 property interest in said device knows of the unlawful use of  
16 the device.

17           (b) Every gambling device shall be seized and forfeited to  
18 the county wherein such seizure occurs. Any money or other  
19 thing of value integrally related to acts of gambling shall be  
20 seized and forfeited to the county wherein such seizure occurs.

21           (c) If, within 60 days after any seizure pursuant to  
22 subparagraph (b) of this Section, a person having any property  
23 interest in the seized property is charged with an offense, the  
24 court which renders judgment upon such charge shall, within 30  
25 days after such judgment, conduct a forfeiture hearing to  
26 determine whether such property was a gambling device at the

1 time of seizure. Such hearing shall be commenced by a written  
2 petition by the State, including material allegations of fact,  
3 the name and address of every person determined by the State to  
4 have any property interest in the seized property, a  
5 representation that written notice of the date, time and place  
6 of such hearing has been mailed to every such person by  
7 certified mail at least 10 days before such date, and a request  
8 for forfeiture. Every such person may appear as a party and  
9 present evidence at such hearing. The quantum of proof required  
10 shall be a preponderance of the evidence, and the burden of  
11 proof shall be on the State. If the court determines that the  
12 seized property was a gambling device at the time of seizure,  
13 an order of forfeiture and disposition of the seized property  
14 shall be entered: a gambling device shall be received by the  
15 State's Attorney, who shall effect its destruction, except that  
16 valuable parts thereof may be liquidated and the resultant  
17 money shall be deposited in the general fund of the county  
18 wherein such seizure occurred; money and other things of value  
19 shall be received by the State's Attorney and, upon  
20 liquidation, shall be deposited in the general fund of the  
21 county wherein such seizure occurred. However, in the event  
22 that a defendant raises the defense that the seized slot  
23 machine is an antique slot machine described in subparagraph  
24 (b) (7) of Section 28-1 of this Code and therefore he is exempt  
25 from the charge of a gambling activity participant, the seized  
26 antique slot machine shall not be destroyed or otherwise

1 altered until a final determination is made by the Court as to  
2 whether it is such an antique slot machine. Upon a final  
3 determination by the Court of this question in favor of the  
4 defendant, such slot machine shall be immediately returned to  
5 the defendant. Such order of forfeiture and disposition shall,  
6 for the purposes of appeal, be a final order and judgment in a  
7 civil proceeding.

8 (d) If a seizure pursuant to subparagraph (b) of this  
9 Section is not followed by a charge pursuant to subparagraph  
10 (c) of this Section, or if the prosecution of such charge is  
11 permanently terminated or indefinitely discontinued without  
12 any judgment of conviction or acquittal (1) the State's  
13 Attorney shall commence an in rem proceeding for the forfeiture  
14 and destruction of a gambling device, or for the forfeiture and  
15 deposit in the general fund of the county of any seized money  
16 or other things of value, or both, in the circuit court and (2)  
17 any person having any property interest in such seized gambling  
18 device, money or other thing of value may commence separate  
19 civil proceedings in the manner provided by law.

20 (e) Any gambling device displayed for sale to a riverboat  
21 gambling operation or used to train occupational licensees of a  
22 riverboat gambling operation as authorized under the Riverboat  
23 Gambling Act is exempt from seizure under this Section.

24 (f) Any gambling equipment, devices and supplies provided  
25 by a licensed supplier in accordance with the Riverboat  
26 Gambling Act which are removed from a ~~the~~ riverboat or

1 electronic gaming facility for repair are exempt from seizure  
2 under this Section.

3 (Source: P.A. 87-826.)

4 (720 ILCS 5/28-7) (from Ch. 38, par. 28-7)

5 Sec. 28-7. Gambling contracts void.

6 (a) All promises, notes, bills, bonds, covenants,  
7 contracts, agreements, judgments, mortgages, or other  
8 securities or conveyances made, given, granted, drawn, or  
9 entered into, or executed by any person whatsoever, where the  
10 whole or any part of the consideration thereof is for any money  
11 or thing of value, won or obtained in violation of any Section  
12 of this Article are null and void.

13 (b) Any obligation void under this Section may be set aside  
14 and vacated by any court of competent jurisdiction, upon a  
15 complaint filed for that purpose, by the person so granting,  
16 giving, entering into, or executing the same, or by his  
17 executors or administrators, or by any creditor, heir, legatee,  
18 purchaser or other person interested therein; or if a judgment,  
19 the same may be set aside on motion of any person stated above,  
20 on due notice thereof given.

21 (c) No assignment of any obligation void under this Section  
22 may in any manner affect the defense of the person giving,  
23 granting, drawing, entering into or executing such obligation,  
24 or the remedies of any person interested therein.

25 (d) This Section shall not prevent a licensed owner of a

1 riverboat gambling operation or an electronic gaming licensee  
2 under the Riverboat Gambling Act and the Illinois Horse Racing  
3 Act of 1975 from instituting a cause of action to collect any  
4 amount due and owing under an extension of credit to a  
5 ~~riverboat~~ gambling patron as authorized under Section 11.1 of  
6 the Riverboat Gambling Act.

7 (Source: P.A. 87-826.)

8 Section 45. The State Finance Act is amended by adding  
9 Sections 5.675 and 5.676 as follows:

10 (30 ILCS 105/5.675 new)

11 Sec. 5.675. The Racing Industry Workers' Fund.

12 (30 ILCS 105/5.676 new)

13 Sec. 5.676. The Depressed Communities Economic Development  
14 Fund.

15 (30 ILCS 105/5.490 rep.)

16 Section 50. The State Finance Act is amended by repealing  
17 Section 5.490.

18 (230 ILCS 5/26.3 rep.)

19 (230 ILCS 5/26.4 rep.)

20 (230 ILCS 5/26.5 rep.)

21 (230 ILCS 5/31.1 rep.)

1 (230 ILCS 5/54 rep.)

2 Section 55. The Illinois Horse Racing Act of 1975 is  
3 amended by repealing Sections 26.3, 26.4, 26.5, 31.1 and 54.

4 Section 97. Severability. The provisions of this Act are  
5 severable under Section 1.31 of the Statute on Statutes.

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.

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## Statutes amended in order of appearance

3	35 ILCS 105/3-5	from Ch. 120, par. 439.3-5
4	35 ILCS 110/3-5	from Ch. 120, par. 439.33-5
5	35 ILCS 115/3-5	from Ch. 120, par. 439.103-5
6	35 ILCS 120/2-5	from Ch. 120, par. 441-5
7	230 ILCS 5/1.2	
8	230 ILCS 5/3.11	from Ch. 8, par. 37-3.11
9	230 ILCS 5/3.24 new	
10	230 ILCS 5/3.25 new	
11	230 ILCS 5/3.26 new	
12	230 ILCS 5/3.27 new	
13	230 ILCS 5/15	from Ch. 8, par. 37-15
14	230 ILCS 5/20	from Ch. 8, par. 37-20
15	230 ILCS 5/26	from Ch. 8, par. 37-26
16	230 ILCS 5/26.1	from Ch. 8, par. 37-26.1
17	230 ILCS 5/26.2	from Ch. 8, par. 37-26.2
18	230 ILCS 5/27	from Ch. 8, par. 37-27
19	230 ILCS 5/30	from Ch. 8, par. 37-30
20	230 ILCS 5/31	from Ch. 8, par. 37-31
21	230 ILCS 5/31.2 new	
22	230 ILCS 5/32.1	
23	230 ILCS 5/56 new	
24	230 ILCS 10/3	from Ch. 120, par. 2403
25	230 ILCS 10/4	from Ch. 120, par. 2404

1	230 ILCS 10/5	from Ch. 120, par. 2405
2	230 ILCS 10/5.2 new	
3	230 ILCS 10/7	from Ch. 120, par. 2407
4	230 ILCS 10/7.1	
5	230 ILCS 10/7.6 new	
6	230 ILCS 10/7.7 new	
7	230 ILCS 10/8	from Ch. 120, par. 2408
8	230 ILCS 10/9	from Ch. 120, par. 2409
9	230 ILCS 10/11	from Ch. 120, par. 2411
10	230 ILCS 10/11.1	from Ch. 120, par. 2411.1
11	230 ILCS 10/12	from Ch. 120, par. 2412
12	230 ILCS 10/13	from Ch. 120, par. 2413
13	230 ILCS 10/14	from Ch. 120, par. 2414
14	230 ILCS 10/18	from Ch. 120, par. 2418
15	230 ILCS 10/19	from Ch. 120, par. 2419
16	230 ILCS 10/20	from Ch. 120, par. 2420
17	230 ILCS 10/23	from Ch. 120, par. 2423
18	235 ILCS 5/6-30	from Ch. 43, par. 144f
19	720 ILCS 5/28-5	from Ch. 38, par. 28-5
20	720 ILCS 5/28-7	from Ch. 38, par. 28-7
21	30 ILCS 105/5.675 new	
22	30 ILCS 105/5.676 new	
23	30 ILCS 105/5.490 rep.	
24	230 ILCS 5/26.3 rep.	
25	230 ILCS 5/26.4 rep.	
26	230 ILCS 5/26.5 rep.	

1 230 ILCS 5/31.1 rep.

2 230 ILCS 5/54 rep.